



2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas





CITY OF PLANO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

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CITY OF PLANO, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
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INTRODUCTORY SECTION

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



January 5, 2024

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Annual Comprehensive Financial Report (ACFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2023, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

Weaver and Tidwell, L.L.P. has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2023. The independent auditor's report is located in the beginning of the financial section of the ACFR.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions and regulations governing the City, as well as, appointing the members of various statutory and advisory boards, the City Manager, the City Attorney and the Chief Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers and heads of departments and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (the City of Plano as legally defined, in addition to three blended component units as discussed in the accompanying footnotes), as well as, the Tax Increment Financing Districts and Tax Increment Reinvestment Zone, reported as discretely presented component units. Discretely presented component units are legally separate entities and are not part of the primary government's operations.

The government provides a full range of services including police and fire protection, environmental health, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, sustainability and environmental services, streets and infrastructure and convention, tourism and cultural events.

The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions including a stable, diverse economic base and a desirable location for work and living.

Since 2018, Plano's population has grown an estimated 3.6% to 292,930 in 2023. According to residential development projections by the City's planning department, it is projected to grow to 313,200 by 2033 and to 322,100 by 2043.

According to the *U.S. Census Bureau*, the median household income of Plano is \$99,729.

Plano is named in *Outside Magazine's* 15 Happiest Towns in America and in *Dallas Innovates'* 15 Happiest Cities List. With many options for work and play, ample green space and a welcoming vibe, Plano made both lists of places for happy living. The City also boasts the #1 park system in Texas per the Trust for Public Land.

The National Recreation and Park Association (NRPA) at its annual conference announced the City's Parks and Recreation Department as the 2023 National Gold Medal Award, marking a 5th national recognition for the Department. The prestigious award recognizes agencies that demonstrate excellence in parks and recreation through long-range planning, resource management, volunteerism, environmental stewardship, program development, professional development and community engagement.

WalletHub.com ranked Plano the 4th Best City to Drive In when comparing the 100 largest cities across 30 key indicators of driver-friendliness, based on ranges from average gas prices to annual hours in traffic congestion per auto commuter to auto-repair shops per capita.

Plano is ranked #9 in the nation and #1 in Texas for the Best and Worst Cities for Jobs according to *Wallethub.com*. Cities are compared across 32 key indicators of job-market strength, including job opportunities, employment growth and monthly starting salary.

Plano was ranked 1st in Texas and 16th in the US by *The Trust for Public Land's* ParkScore rankings, which is a national comparison of park systems across the 100 most populated cities in the United States. Published annually, the index measures park systems according to five categories reflective of an excellent city park system: access, investment, amenities, acreage and equity.

Plano is ranked in the top 100 Safest Cities in America according to *WalletHub.com*. They compared 180 U.S. cities across 41 key indicators of safety, including home and community safety, natural disaster risk and financial safety.

WalletHub.com's Best and Worst Places to Raise a Family ranked Plano #4 in the nation and #1 in Texas. The City was compared to more than 180 U.S. cities considering 45 key metrics, including essential family dynamics, the quality of local school and health-care systems and opportunities for fun and recreation.

Plano is ranked #16 in *Coworking Café's* America's Best Cities for Working Parents determining the most conducive environments for working parents, which includes must-haves for a healthy upbringing: prevalence of remote-eligible jobs, features that shed light on the availability and accessibility of education, as well as opportunities to minimize commute and work closer to home.

WalletHub.com ranks Plano the 9th Best City for Jobs when comparing 180 U.S. cities across 32 key indicators of job-market strength, ranging from job opportunities to employment growth to monthly average starting salary.

Plano remains in the small percentage of cities in the United States to carry AAA-rated bonds, the highest possible bond rating from Moody's Investor Service, Standard & Poor's and Fitch, Inc. The ratings are due to the City's stable financial position driven by conservative budgeting, as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City's economy continues to prosper. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. According to the Collin County and Denton County Appraisal Districts, the original certified property appraisals increased 9.0% for fiscal year 2023, with 13.4% of the increase coming from new property. The tax rate decreased from 44.65 to 41.76 cents. Tax collections for fiscal year 2023 totaled \$207.6 million, an increase of 2.7% from the prior year.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base, which includes numerous retail store facilities, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of other specialty shops and major retailers.

Sales tax allocations to the City totaled \$114.2 million from October 2022 through September 2023, an increase of 5.4% compared to fiscal year 2022.

Employment

The unemployment rate in Plano at September 30 increased from 3.0% in 2022 to 3.7% in 2023. This compares favorably to the unemployment rate nationally of 3.8% and 4.1% statewide. A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation and utilities; professional and business services; education and health services and government. According to the U.S. Census Bureau, 58.1% of Plano residents have a bachelor's degree or higher.

Plano's large businesses, employing 1,000+, include JPMorgan Chase, Capital One Finance, Bank of America, Toyota Motor North America, AT&T, Liberty Mutual Insurance, Ericsson, Medical City Plano, USAA, Samsung Electronics America, NTT DATA, Fannie Mae, PepsiCo Foods North America, Frito-Lay, Texas Health Plano, FedEx, Steward Systems and Hewlett-Packard Enterprise. Employing 500-999, companies having significant operations in Plano, include Tech Mahindra Americas, Abbott, Palo Alto Networks, Integer Holdings, Baylor Scott and White The Heart Hospital – Plano, Alkami Technology, U.S. Renal Care, Baylor Scott and White Medical Center – Plano, Inogen, PennyMac Financial Services, Samsung Telecommunications America, Samsung Research America and Cigna Healthcare of Texas. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2023, the following businesses announced relocation and expansion:

CoreWeave, a New Jersey-based data center corporation, has expanded into Texas with its 450,000-square-foot data center facility, at 1000 Coit Road, scheduled to be open and operating by December 31, 2023. The new data center will support demand for high-performance cloud solutions for artificial intelligence, machine learning and other emerging technologies. By 2025, CoreWeave will have created approximately 50 jobs.

Warehouses Plus, a Plano-based warehouse real estate firm, has expanded its services by occupying 100,000 square feet of space at 3901 E Plano Parkway. Its newest facility opened summer of 2023.

LITEON, a Taiwan-based technology firm, has expanded its Cloud Infrastructure Platform Solutions R&D operations to add manufacturing space for new product lines, repair and design. The firm has taken 80,000 square feet of industrial space at 3605 E Plano Parkway to accommodate its growth and expects to add 100 employees in 2024.

Virtex, an Austin, TX-based electronics manufacturing service (EMS) firm, has expanded its existing operations by leasing 65,000 square feet of industrial space at 2801 E Plano Parkway to accommodate its expansion of new product lines. The firm plans to grow to 262 employees.

Lithia & Driveway, an Oregon-based vehicle retailer, has expanded its operations by opening its new 64,600-square-foot client service center at 5600 Granite Parkway in the Legacy business park. Departments will include Sales, Customer Service, Performance Management, Vehicle Delivery and Client Advisory.

Global Products Group (GPG), DBA Gummy Innovations, the Florida-based dietary supplements manufacturing firm, has selected Plano for its expansion with a new manufacturing facility at 3700 E Plano Parkway. The 58,000-square-foot space will house state-of-the-art machinery, allowing GPG to expand their specialty manufacturing service to retailers across the U.S.

HEB eCommerce Fulfillment Center, a San-Antonio, TX-based food and drug retailer, expanded by opening a new eCommerce fulfillment center at 6001 Preston Road in June 2023. The 55,000-square-foot operation houses 125 employees and supports HEB Curbside and Home Delivery throughout Plano and surrounding stores.

Natural Polymer International Corp. (NPIC), a pet treat manufacturer, has operated in Plano since 1998 and has experienced rapid growth in recent years. The firm is expanding its operations by adding 48,000 square feet of manufacturing space at 3901 E Plano Parkway to accommodate new lines of operations.

WSOL, LLC., DBA Working Solutions, a Plano-based professional services firm, has relocated its offices back to Plano, joining the International Business Park at 6275 W Plano Parkway. The 48,000-square-foot office space will house the headquarters and call center operations.

Eurofins MET Lab, a France-based food, environment, pharmaceutical and cosmetic product testing firm, has opened a 35,000-square-foot testing lab at 2600 Technology Drive in Plano's Research Technology Crossroads, creating 30 jobs. The international company serves local Plano businesses and beyond by providing on-site, product safety and energy efficiency evaluations, testing and labeling.

Samsung Electronics America, a South Korea-based global consumer products firm, is expanding its office footprint in Plano once again. In 2021, the firm had become the largest tenant in the Legacy Central campus. It is now adding a 33,200-square-foot office space in the Legacy area at 6105 Tennyson Parkway.

Jordan & Skala Engineers, Inc., a Georgia-based engineering design professional services firm, has further expanded its operations in Texas with its new office located at 6201 W Plano Parkway within the International Business Park. The new office was opened shortly after the new building was delivered in 2023. The company leased nearly 19,000 square feet and created 110 jobs.

PepsiCo, a New York-based global food and beverage company, is expanding its regional headquarters (PepsiCo Foods North America) at 7701 Legacy Drive by investing \$4.2 million in the build out of 17,600-square-foot of new office space by December 31, 2023.

Persistent Systems, an India-based technology services firm, has consolidated facilities into its new Private Equity (PE) Value Creation Hub at 5801 Tennyson Parkway in the Legacy business park in June 2023. It relocated positions from five U.S. states and India. The firm expects to double its employment by the end of 2023.

Lucid Private Offices, an Irving, TX-based coworking space provider, expanded by opening a new 31,000-square-foot coworking location at 6275 W Plano Parkway, a newly constructed five-story office building in the International Business Park.

Texas Health Hospital, a faith-based nonprofit health system, is investing \$3.9 million to expand its hospital footprint to include a new neonatal intensive care unit (NICU) family center. The expansion includes the addition of seven rooms and welcome lounge.

Long-Term Financial Planning

Long-term planning and responding prudently to changing economic conditions remain key in maintaining the City's fiscal health. During the 2023-24 budget process, the City Manager met with each council member to hear their priorities, followed by meeting with each department to receive updates on City operations. The City also spent the first half of the year studying financial challenges of mature cities and collecting feedback from the business community through the business survey. The City is entering the next lifecycle phase, which is characterized by a slowing of new revenue from green field development and will transition to a larger focus on infrastructure maintenance, commercial and corporate redevelopment, and long-term revenue sustainability. In summary, the Plano economy and service demands are back to pre-COVID-19 levels and the organization is operating at full capacity.

The City is a service industry and is subject to the same economic conditions affecting the rest of the country. This year, the City and community have seen significant inflation, supply chain disruption and labor shortages which are affecting the organization's financial condition. The City must recognize and continue to adapt to a mature environment where resource growth is reduced by slowed commercial growth, increased residential tax freezes, a dozen multi-family complexes coming off the tax rolls, along with rising costs of providing services. These factors are taken into account when planning for the City's financial future.

The City has exhausted appropriated Federal funds including Coronavirus Aid Relief and Economic Security Act and American Rescue Plan Act funds. These funds buffered the City in order to weather COVID economic fluctuations without impacting service levels. Additionally, over the past four years, the City has passed a tax rate at or near the No-New-Revenue Tax Rate (or Effective Tax Rate) which was aided by these Federal funds.

Across all of Plano's operating funds in fiscal year 2024, appropriations equal \$728.8 million, a \$41.1 million or 6.0% increase from the fiscal year 2023 final budget. Projected at \$362.3 million in fiscal year 2024, General Fund revenues are expected to increase by \$11.4 million when compared to the fiscal year 2023 final budget, while fiscal year 2024 General Fund appropriations are set at \$392.3 million, an increase of \$27.6 million from the fiscal year 2023 final budget.

Resources have been diligently set aside on a pay-go basis for renovating, repairing and replacing existing infrastructure via the Capital Maintenance Fund, which has been a highlighted factor in maintaining the City's AAA bond ratings. Capital Maintenance funding for fiscal year 2024 will be primarily supported by transfers of \$34.7 million from the General Fund, \$2.0 million from the Water and Sewer Fund, \$1.5 million from the Convention and Tourism Fund and \$500 thousand from the Municipal Drainage Fund.

The City of Plano will use bond authority approved by voters in May 2021 for the fiscal year 2024 Community Investment Program. Of the \$189.3 million budgeted for General Obligation capital expenditures in fiscal year 2024, \$104.5 million is for street improvement, \$61.5 million is dedicated for park improvement and recreation center projects, \$20.9 million is for public safety facilities and improvements at other City facilities and \$2.4 million is dedicated to public infrastructure improvements to support economic redevelopment.

Budgetary impacts are minimized by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life with the Equipment Replacement Fund (a component of the internal service's Equipment Maintenance Fund). The fund collects regularly scheduled depreciation charges from City departments possessing vehicles and capital equipment and uses those funds for future purchases of new equipment on an as needed basis. In fiscal year 2024, the Equipment Replacement Fund's projected revenues total \$24.2 million, with depreciation charges of \$17.3 million as the primary source of revenue. The fund is also expected to collect \$1.5 million from the auction of City equipment and \$900 thousand from interest earned on the fund's available balance.

The City has programed a General Obligation bond sale of \$75.0 million to support capital projects in fiscal year 2024. The General Obligation sale will fund numerous street improvements, the continued development and renovation of Plano's park system and renovations and additions to recreation, public safety and other City facilities.

For 2024, costs in the Water and Sewer Fund and Sustainability and Environmental Services Fund have increased due to contractual commitments with the North Texas Municipal Water District (NTMWD), experiencing issues of inflation, supply chain disruptions, labor shortages and increased service demands, which are increasing costs. Due to an increase in both water and wastewater related fees passed down from NTMWD, the City has budgeted for a 6.0% increase in water and 3.0% increase in wastewater fees effective October 1, 2023. The City continues in its effort to minimize the impact of the pass through rate increases from NTMWD on to customers, including the hiring of a water and sewer rate consultant in order to plan both short-term and long-term water and wastewater rates to ensure sustainability of the Water and Sewer Fund.

Similarly, rate increases are necessary in the Sustainability and Environmental Services Fund due to recent growth in the residential and commercial entities. Monthly residential rates for single-family and duplex units were increased by \$4.00 for 95-gallon containers and \$2.85 for single-family 68-gallon containers. The rate for additional 95-gallon containers for residential customers increased \$3.33 per month while non-franchisee customers increased \$4.00 per month. The City attempted to absorb the additional charges from NTMWD initially. However, the City deemed it necessary to raise waste collection rates as well as water and wastewater rates for both residential and non-residential customers by the minimum rate, as well as, the variable rates depending on volumetric usage.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance and reserve levels. City Council adopted these policies, and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The City believes that the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget and Research, Director of Finance and Director of Human Resources. The City Manager makes final decisions and submits a recommended budget to City Council. The proposed budget is reviewed extensively by City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at fund level. An ordinance establishes the budget for operating expenditures, debt service payments and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. The re-estimated budgets are reviewed by the Budget Committee and City Council concurrent with review of the proposed budget. The re-estimated current year budget is used as a working budget for the last half of the current fiscal year. This re-estimated budget, or final budget, may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget and Research. If appropriate, recommendations for corrective action are made to the City Manager and City Council as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Financial Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to City Council.

Major Initiatives

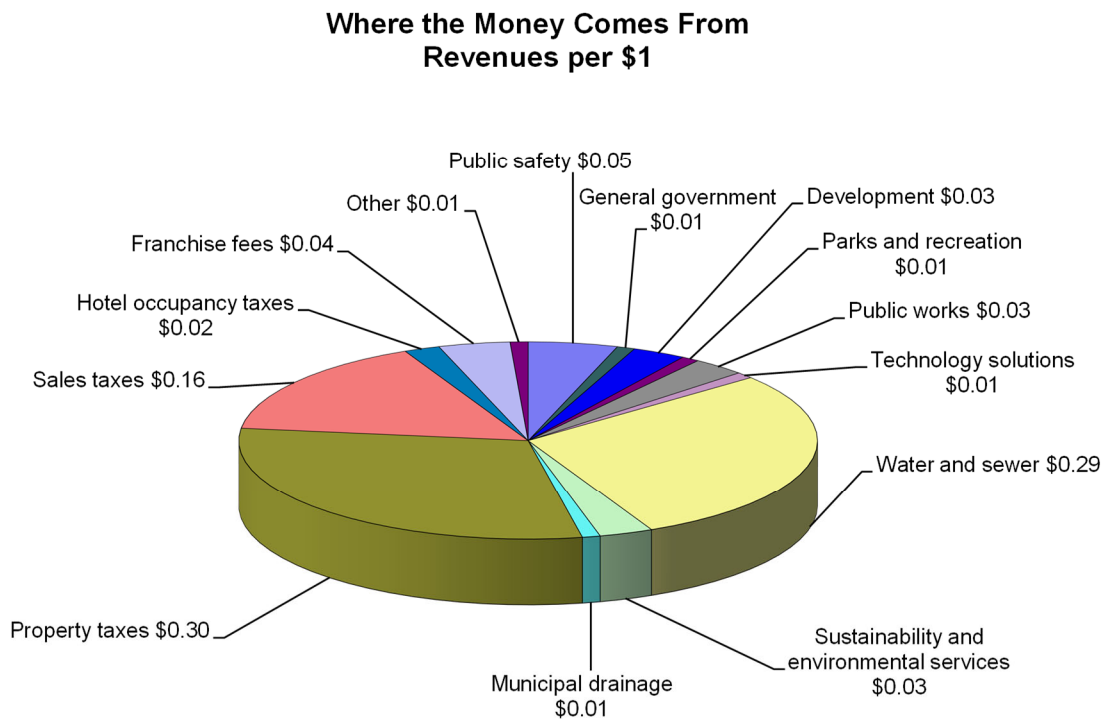
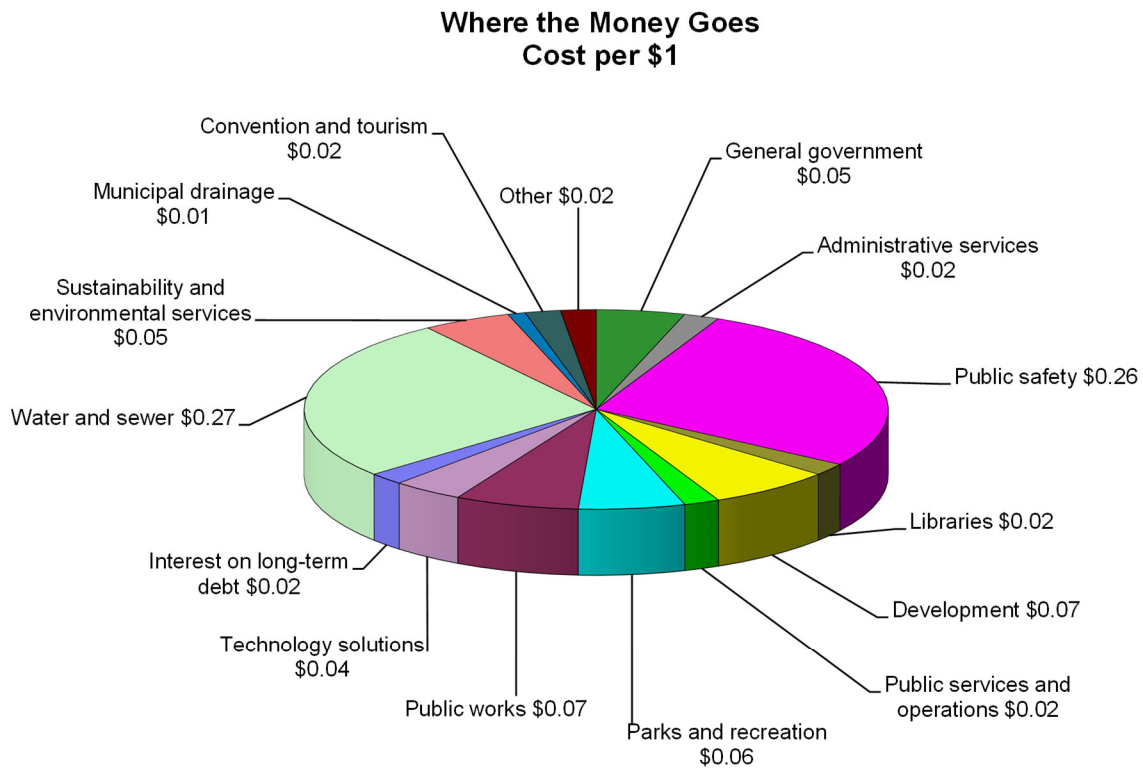
The fiscal year 2024 Community Investment Program (CIP) will continue to reflect the City's commitment to enhancing and maintaining its infrastructure. Major facility projects from fiscal year 2023 CIP included construction expenditures for the finish out of the fire training facility in northwest Plano as well as replacing roofs at two of the City's libraries, Harrington Library near downtown and Parr Library located in northwest Plano. Total municipal facilities expenditures were \$2.9 million. Plano's parks and recreation system saw \$8.4 million in expenditures to improve parks, connect trails and obtain land for future park development. Expenditures include the renovation of Caddo Park, a neighborhood park located in central Plano, completion of the outdoor pool at Oak Point Recreation Center and purchase of property adjacent to the Oak Point Park and Nature Reserve. Numerous major street projects were undertaken in fiscal year 2023, with a total of \$85.1 million spent to improve intersections, collector and residential streets, screening walls, sidewalks and alleys. Design and construction of water and sewer infrastructure renovations and replacements totaled \$20.6 million in fiscal year 2023, with major expenditures occurring in wastewater improvements at the Collin Creek site redevelopments and replacement of water lines in the Cross Creek Estates neighborhood. Finally, \$27.8 million was invested through the Capital Maintenance Fund on repairs, renovations and rehabilitation projects for City streets, facilities and park assets with the goal of extending the useful life of those assets.

Plano also budgeted \$8.5 million for economic development incentives for fiscal year 2024 to remain competitive with surrounding neighboring cities. While fiscal year 2023 was the 17th year with two-cents from the property tax rate devoted for these incentives, the transfer amount has been capped at \$8.5 million beginning in fiscal year 2024 by City Council. The Economic Development Incentive Fund is used to attract and retain major business and employees to the City.

Tax Abatements

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City and the attraction of companies that offer high impact jobs and share the community's values.

The following charts depict the sources and uses of the City's financial breakout for fiscal year 2023:



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 42 consecutive years (fiscal years ended 1981-2022). The City believes the current report continues to conform to the Certificate of Achievement Program requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this report and maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department, who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Appreciation is also extended to the Mayor and members of City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,



Mark D. Israelson
CITY MANAGER



Denise Tacke, CPA
DIRECTOR OF FINANCE



Allison Friloux
ASSISTANT DIRECTOR OF FINANCE



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Plano
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF PLANO ORGANIZATION CHART



CITY OF PLANO, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

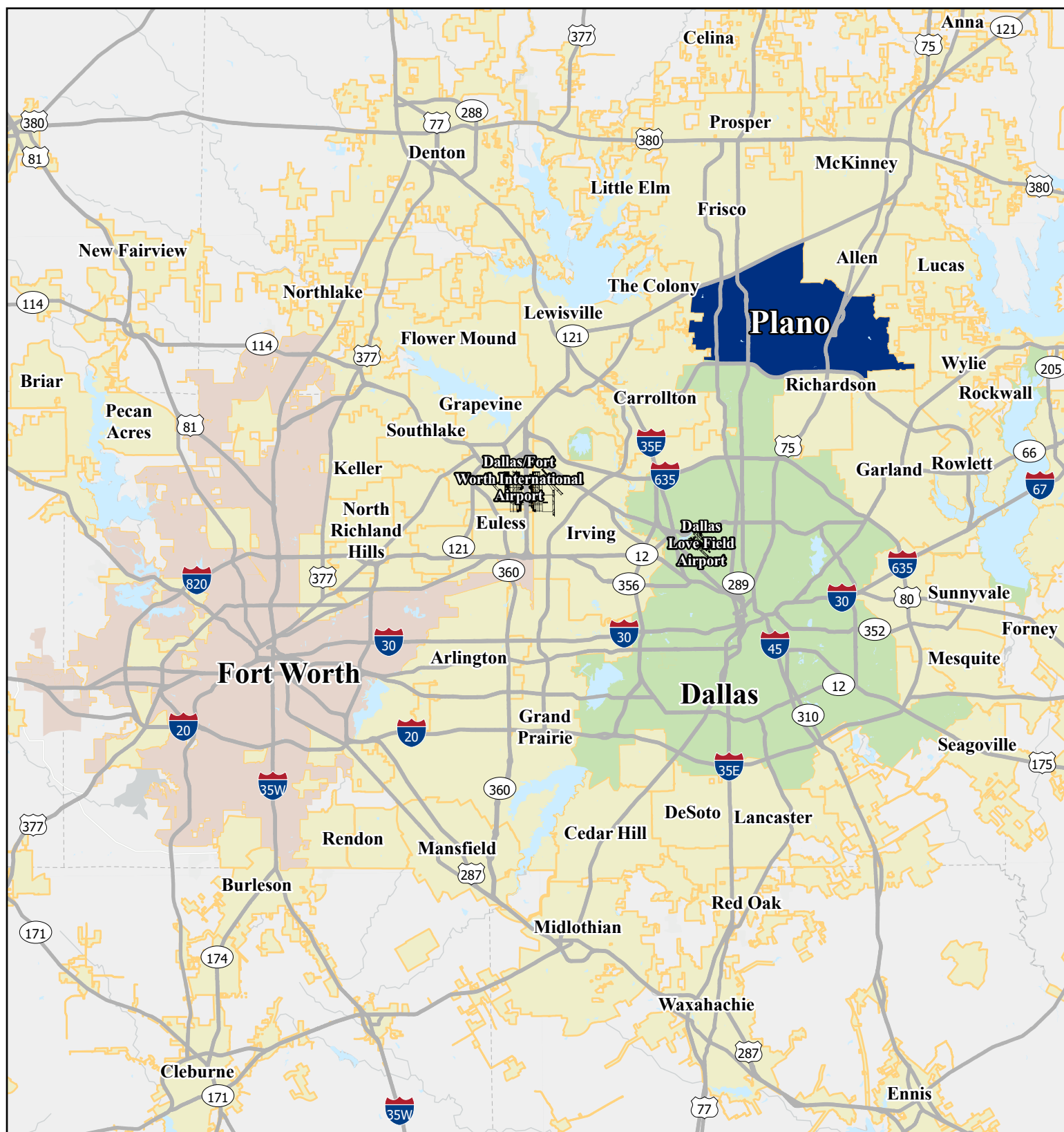
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
John Muns Mayor Place 6	May 2025
Kayci Prince Mayor Pro Tem Place 4	May 2025
Maria Tu Deputy Mayor Pro Tem Place 1	May 2027
Anthony Ricciardelli Place 2	May 2025
Rick Horne Place 3	May 2027
Shelby Williams Place 5	May 2027
Julie Holmer Place 7	May 2027
Rick Smith Place 8	May 2025

Administrative Officers

<u>Name</u>	<u>Position</u>
Mark Israelson	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Assistant Director of Finance

The City of Plano and Surrounding Areas





FINANCIAL SECTION

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
The City of Plano, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I to the basic financial statements, during the year ended September 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 5, 2024





MANAGEMENT'S DISCUSSION & ANALYSIS

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

(unaudited)

Management's discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.8 billion (net position). Of this amount, \$1.4 billion (75.3%) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$51.6 million (2.9%). The remaining \$394.8 million (21.8%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$74.1 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$447.7 million, an increase of \$28.5 million in comparison with the prior year. Within this total, \$126.7 million (28.3%) is restricted by specific legal requirements and \$270.4 million (60.4%) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$49.7 million (11.1%) and can be used for any lawful purpose. The remaining \$871 thousand (0.2%) is nonspendable.
- The City's total bonded debt increased by \$41.0 million primarily due to issuance in the current year of General Obligation bonds and Tax Anticipation Notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology solutions and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has three blended component units that are detailed in the accompanying footnotes.
- **Business-type activities** – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer operations, sustainability and environmental services, municipal drainage system, convention and tourism, municipal golf course, downtown center development and recreation revolving programs are reported as business-type activities.
- **Component units** – The City includes separate legal Tax Increment entities, created under Texas Tax Code Chapter 311, in its report; Tax Increment Financing (TIF) No. 2 East Side, TIF No. 3 Silver Line (formerly Cotton Belt) Regional Rail Project and Tax Increment Reinvestment Zone (TIRZ) No. 4 Collin Creek Mall Redevelopment. Although legally separate, the City is financially accountable for the TIF No. 2 and No. 3 and TIRZ No. 4. TIRZ No. 4 had no activity in fiscal year 2023.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Capital Maintenance Fund, Street Improvements Fund, Municipal Facilities Fund, Park Improvements Fund, Economic Development Incentive Fund and Grants Fund, all of which are considered to be

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the Combining Financial Statements Section elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-28.

- **Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, sustainability and environmental services, municipal drainage system, convention and tourism, municipal golf course, downtown center development and recreation revolving programs. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its equipment maintenance services, municipal warehouse, technology solutions, risk management and health claims programs. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer operations, sustainability and environmental services and municipal drainage system, as they are considered major funds. Data from the remaining four enterprise funds, known as the other enterprise funds, as well as the internal service funds, are combined into single aggregated presentations in the proprietary fund financial statements. Individual fund data is provided in the Combining Financial Statements Section elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-37 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

- **Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 41-86 of this report.

- **Other information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the General Fund's budget to actual performance and the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees and retirees.

The required supplementary information can be found on pages 87-94 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, fiduciary and component unit funds can be found on pages 95-135 of this report.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$1.8 billion as of September 30, 2023. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (75.3%) reflects its net investment in capital assets (land, buildings and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 560,308	\$ 596,733	\$ 181,974	\$ 173,871	\$ 742,282	\$ 770,604
Capital assets	1,482,171	1,386,357	475,361	454,910	1,957,532	1,841,267
Total assets	<u>2,042,479</u>	<u>1,983,090</u>	<u>657,335</u>	<u>628,781</u>	<u>2,699,814</u>	<u>2,611,871</u>
Deferred outflows	172,021	58,584	20,406	7,737	192,427	66,321
Noncurrent liabilities	867,269	616,802	122,540	104,749	989,809	721,551
Other liabilities	39,763	53,589	23,564	19,383	63,327	72,972
Total liabilities	<u>907,032</u>	<u>670,391</u>	<u>146,104</u>	<u>124,132</u>	<u>1,053,136</u>	<u>794,523</u>
Deferred inflows	25,063	131,318	6,886	19,338	31,949	150,656
Net position:						
Net investment in capital assets	964,900	930,684	395,785	386,232	1,360,685	1,316,916
Restricted	45,677	46,145	5,968	5,776	51,645	51,921
Unrestricted	271,828	263,136	122,998	101,040	394,826	364,176
Total net position	<u>\$ 1,282,405</u>	<u>\$ 1,239,965</u>	<u>\$ 524,751</u>	<u>\$ 493,048</u>	<u>\$ 1,807,156</u>	<u>\$ 1,733,013</u>

An additional portion of the City's net position (2.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (21.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as, for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

Table 2
Change in Net Position
(in Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 48,740	\$ 49,518	\$ 255,058	\$ 230,282	\$ 303,798	\$ 279,800
Operating grants and contributions	37,057	46,288	-	-	37,057	46,288
Capital grants and contributions	20,636	5,289	3,033	2,804	23,669	8,093
General revenues:						
Property taxes	222,561	216,372	-	-	222,561	216,372
Sales taxes	114,129	108,199	-	-	114,129	108,199
Other taxes	3,105	3,120	12,589	10,889	15,694	14,009
Franchise fees	22,059	21,086	9,243	8,629	31,302	29,715
Investment income (loss)	19,758	(23,117)	4,261	(4,728)	24,019	(27,845)
Total revenues	<u>488,045</u>	<u>426,755</u>	<u>284,184</u>	<u>247,876</u>	<u>772,229</u>	<u>674,631</u>
Expenses:						
General government	34,047	28,959	-	-	34,047	28,959
Administrative services	14,645	11,020	-	-	14,645	11,020
Police	111,065	86,631	-	-	111,065	86,631
Fire	85,567	66,170	-	-	85,567	66,170
Libraries	15,835	12,110	-	-	15,835	12,110
Development	47,473	45,910	-	-	47,473	45,910
Public services and operations	10,783	8,283	-	-	10,783	8,283
Parks and recreation	44,182	38,039	-	-	44,182	38,039
Public works	47,161	43,147	-	-	47,161	43,147
Technology solutions	28,355	24,817	-	-	28,355	24,817
Interest on long-term debt	15,905	12,831	-	-	15,905	12,831
Water and sewer	-	-	185,133	169,318	185,133	169,318
Sustainability and environmental services	-	-	33,701	31,906	33,701	31,906
Municipal drainage	-	-	7,772	7,055	7,772	7,055
Convention and tourism	-	-	11,409	9,511	11,409	9,511
Municipal golf course	-	-	1,082	942	1,082	942
Downtown center development	-	-	66	9	66	9
Recreation revolving	-	-	3,905	2,778	3,905	2,778
Total expenses	<u>455,018</u>	<u>377,917</u>	<u>243,068</u>	<u>221,519</u>	<u>698,086</u>	<u>599,436</u>
Increase in net position before transfers	33,027	48,838	41,116	26,357	74,143	75,195
Transfers	9,413	13,292	(9,413)	(13,292)	-	-
Increase in net position	42,440	62,130	31,703	13,065	74,143	75,195
Net position – October 1	1,239,965	1,177,835	493,048	479,983	1,733,013	1,657,818
Net position – September 30	<u>\$ 1,282,405</u>	<u>\$ 1,239,965</u>	<u>\$ 524,751</u>	<u>\$ 493,048</u>	<u>\$ 1,807,156</u>	<u>\$ 1,733,013</u>

The City's total net position increased by \$74.1 million. As a result of the American Rescue Plan Act (ARPA) and designation of State and Local Fiscal Recovery Funds (SLFRF) funding, the City was allocated \$36.4 million. The City received 50% of the allocation on June 1, 2021, \$18.2 million, with the balance of \$18.2 million received June 6, 2022. The City claimed the full amount of the funds under the Revenue Replacement for the Provision of Government Services category. The initial tranche was used toward the following approved projects: \$812 thousand in recreation revolving programs, \$1.5 million in overtime costs for fire personnel and \$15.9 million for public safety salaries. The City utilized the entire second tranche of \$18.2 million of the SLFRF funding in the prior year on public safety salaries. The SLFRF funds are fully consumed using \$15.9 million in the current fiscal year.

Property tax revenues are reported at \$222.6 million, higher over prior year by \$6.2 million as a result of additional properties added in the current year and increases in total assessed property values. In fiscal

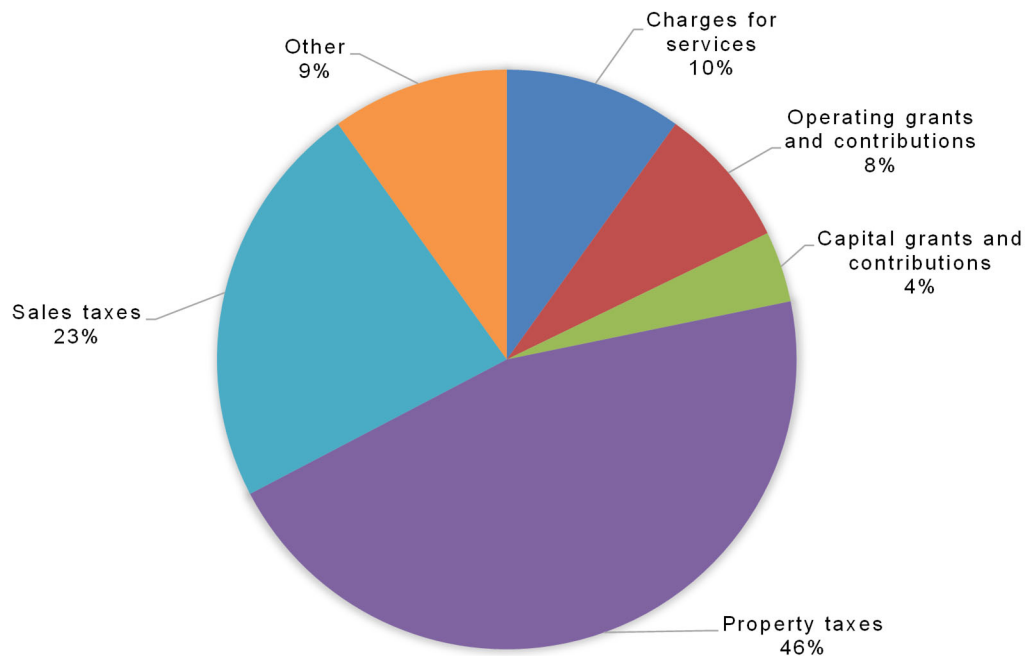
City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

year 2024, the total appraised value includes an increase in new property coming on-line of \$727.3 million while existing property values are expected to increase by \$4.7 billion. Sales tax revenues increased over prior year by \$5.9 million due to the economic recovery. Hotel occupancy tax revenues are higher over prior year by \$1.7 million, as the industry continues to recover from the pandemic. Investment income is reported at \$24.0 million, increasing \$51.9 million over prior year, as a result of fair market value adjustments to investments as required by the Governmental Accounting Standards Board (GASB) Statement No. 31. The unrealized gain for fiscal year 2023 is \$5.5 million, while an unrealized loss for fiscal year 2022 was reported at \$38.7 million. Water and sewer charges for services increased \$20.0 million over prior year due to water and sewer rate increases effective November 1, 2022.

Governmental Activities

Governmental activities increased the City's net position by \$42.4 million. Key elements of this increase are shown in Table 2.

Revenues by Source – Governmental Activities



Program revenues were \$106.4 million, compared to \$101.1 million in fiscal year 2022. Of this increase, capital grants are higher than prior year by \$15.3 million primarily due to construction participation from Collin County, in addition to funds from Dallas Area Rapid Transit (DART) via an Interlocal Agreement to be used for specific streets projects that will benefit DART's Public Transportation System.

General revenues increased from \$325.7 million in fiscal year 2022 to \$381.6 million in fiscal year 2023. Interest income increased \$42.9 million due to an unrealized investment loss in prior year, per GASB Statement No. 31, of \$23.1 million. Property tax revenues increased by \$6.2 million due to additional properties added in the current year and increases in total assessed property value. Sales tax revenues increased over prior year by \$5.9 million due to continued economic recovery and inflation.

Overall, governmental activities expenses were \$455.0 million, an increase of \$77.1 million over the prior year, primarily the result of the organization operating at full capacity with challenges of service demands and expectations for excellence in a post-COVID environment and increased costs due to inflation.

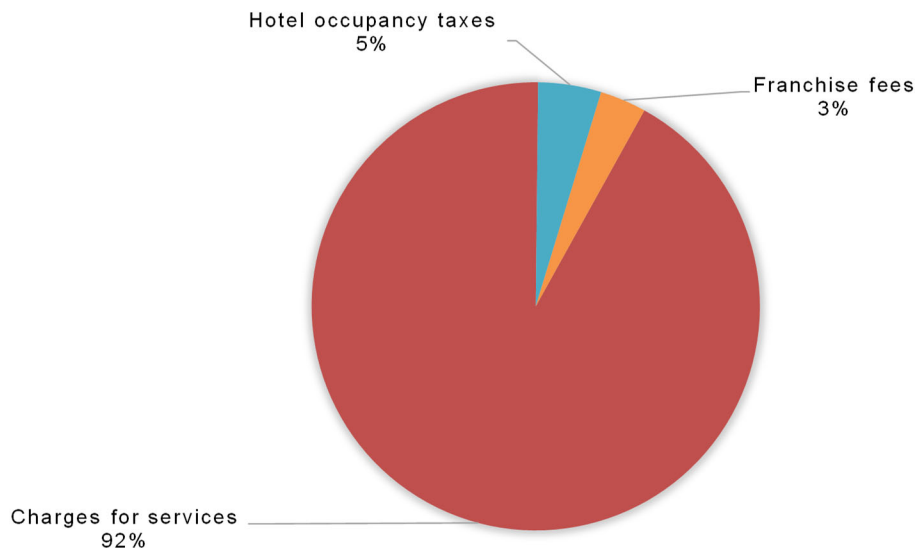
City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

Business-Type Activities

Revenues of the City's business-type activities were \$284.2 million for the fiscal year ended September 30, 2023. Revenues increased approximately \$36.3 million, or 14.6%, as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$21.5 million, or 9.7%. These changes are the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$211.5 million, an increase of \$20.0 million, or 10.5%, from the prior year primarily attributable to water and sewer rate increases effective November 1, 2022. Contractual payments to North Texas Municipal Water District (NTMWD) increased \$10.0 million in the current year due to a rate increase effective October 1, 2022.
- The City's sustainability and environmental services activities operated with expenses exceeding program and franchise fee revenues by \$952 thousand in fiscal year 2023. With growth in residential and commercial entities, the need for additional services are warranted. Expense increases stem from personnel, fuel and contractual related categories.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$3.4 million, compared to \$2.9 million in the prior year. Drainage rates increased in December 2022.
- The City's convention and tourism activity operated with charges for services and hotel occupancy tax revenues exceeding expenses by \$4.9 million as compared to net revenues of \$4.5 million in the prior fiscal year. Hotel occupancy tax revenues continue to increase from the pandemic, in addition to higher revenue attributed to an increase in business activity.

Revenues by Source – Business-Type Activities

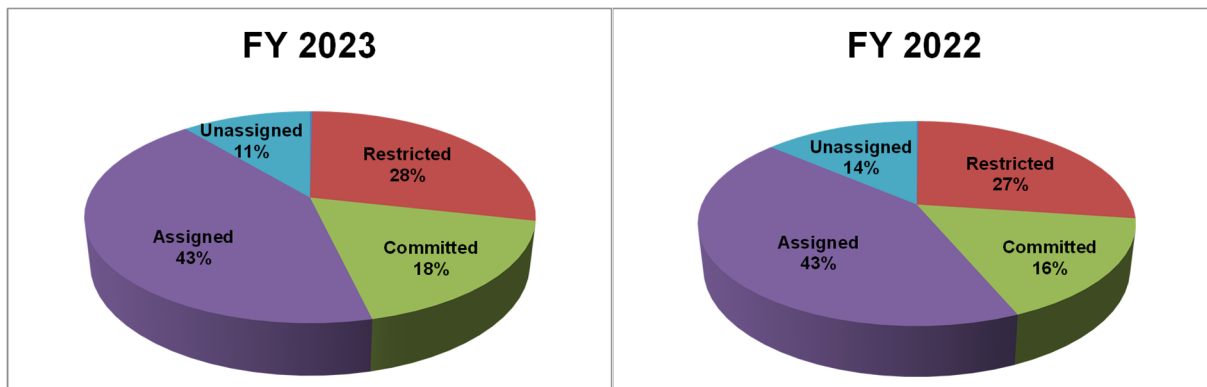


Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances (unassigned, assigned and committed) may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$447.7 million. Within this total, \$126.7 million (28.3%) is restricted by specific legal requirements and \$270.4 million (60.4%) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$49.7 million (11.1%) and can be used for any lawful purpose. The remaining \$871 thousand (0.2%) is nonspendable.



The General Fund is the chief operating fund of the City. The fund balance of the City's General Fund decreased by \$6.7 million during the current fiscal year. Key factors in this decrease are as follows:

- General fund revenues increased \$15.3 million compared to prior year. Sales tax revenues increased over prior year by \$5.8 million due to continued economic recovery and inflation.
- Expenditures increased \$30.0 million primarily the result of the organization operating at full capacity with challenges of service demands and expectations for excellence in a post-COVID environment and increased costs due to inflation.

The Debt Service Fund has a total fund balance of \$4.9 million, all of which is restricted for the payment of debt service. The fund balance decreased by \$142 thousand primarily due to bond principal, interest and escrow payments exceeding property tax revenues and debt refunding sources in the current year.

The Capital Maintenance Fund balance of \$75.8 million is assigned for replacement and renewals of the City's facilities and infrastructure. The Capital Maintenance Fund balance increased \$16.0 million from the prior year as a result of transfers in exceeding capital outlay expenditures by \$13.5 million.

The Street Improvements Fund has a total fund balance of \$74.9 million, all of which is in assigned. The Street Improvements Fund balance decreased \$26.2 million primarily due to capital outlay for streets projects of \$85.1 million exceeding other financing sources related to debt issuance of \$44.1 million.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

The Municipal Facilities Fund has a total fund balance of \$38.9 million, with \$30.1 million in restricted and \$8.8 million in assigned. The Municipal Facilities Fund balance increased \$21.2 million due to other financing sources related to debt issuance of \$30.3 million exceeding capital outlay expenditures of \$9.1 million for facilities projects.

The Park Improvements Fund has a total fund balance of \$59.0 million, with \$47.0 million in restricted and \$12.0 million in assigned. The Park Improvements Fund balance increased over prior year by \$12.0 million due to other financing sources related to debt issuance of \$20.3 million exceeding capital outlay expenditures of \$9.9 million in the current year.

The Economic Development Incentive Fund balance of \$79.7 million increased over prior year by \$10.6 million as a result of contributions exceeding expenditures in the current year. Expenditures are based upon incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code. The portion of the fund balance obligated but unpaid for potential incentives on signed economic development agreements totals \$4.9 million.

The Grant Fund has a negative fund balance of \$1.4 million due to reimbursements not being received within 30 days and, therefore, not considered available to pay liabilities of the current period.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer Fund net position of \$463.0 million increased by \$26.9 million over the prior year. In the current fiscal year, total operating revenues are \$211.4 million while operating expenses are \$184.4 million. Revenue is higher in the current year by \$20.0 million due to increased water and sewer rates effective November 1, 2022. Sewer revenues are calculated on averages of the winter quarter period (November-February) from prior actual usage. Contractual payments to NTMWD increased \$10.0 million in the current year due to a rate increase effective October 1, 2022. Contractual payments to NTMWD are \$125.2 million of total operating expenses.
- The City's Sustainability and Environmental Services Fund reported negative net position of \$2.9 million in the current year compared to negative net position of \$2.2 million in the prior year. Total operating revenues are \$32.7 million which are exceeded by operating expenses of \$33.4 million. The change in net position was a decrease of \$679 thousand, due to the increased customer growth and need for additional services, impacting increased personnel and contractual related expenses. Due to the current financial condition of the fund, a loan of \$2.5 million is made from the Water and Sewer Fund to be paid back over seven years.
- The City's Municipal Drainage Fund net position increased over the prior year by \$2.4 million. Drainage rates increased in December 2022 with current year revenues reported at \$10.0 million exceeding operating expenses of \$6.7 million.

General Fund Budgetary Highlights

During the current year, the actual expenditures on a budgetary basis were \$320.8 million compared to the final budget amount of \$321.7 million. Actual expenditures on a budgetary basis were \$1.8 million higher than the original budget and \$908 thousand lower as compared to the final budget. The City continues to focus on maintaining all of our current assets as well as meeting service demands generated by new businesses and residents, all while maintaining financial prudence and financial responsiveness.

For fiscal year 2023, the actual revenues on a budgetary basis were \$342.6 million as compared to the final and original budget amounts, each at \$342.4 million and \$323.6 million, respectively.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

The City has an actual budgetary basis General Fund balance of \$55.6 million as of September 30, 2023, compared to the final and original budget fund balances of \$54.5 million and \$40.0 million, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2023, the City had \$2.0 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of \$116.3 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 171,038	\$ 168,925	\$ 8,058	\$ 8,023	\$ 179,096	\$ 176,948
Buildings and improvements	360,701	364,042	375,317	376,894	736,018	740,936
Equipment	70,849	54,984	606	707	71,455	55,691
Construction in progress	90,458	62,791	43,657	26,876	134,115	89,667
Public art	1,846	1,846	50	50	1,896	1,896
Infrastructure	775,552	729,516	-	-	775,552	729,516
Right-to-use leased buildings	932	611	649	717	1,581	1,328
Right-to-use leased equipment	4,477	3,642	30	45	4,507	3,687
Right-to-use subscription assets	6,318	-	-	-	6,318	-
Drainage improvements	-	-	46,994	41,597	46,994	41,597
Totals	\$ 1,482,171	\$ 1,386,357	\$ 475,361	\$ 454,909	\$ 1,957,532	\$ 1,841,266

This year's major capital outlay additions for governmental capital projects included (in millions):

Shiloh Road Expansion	\$ 6.9
Residential Repair	20.1
Arterial Work	5.7
Facility Technology Improvements	2.0
	<u>\$ 34.7</u>

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

Capital Improvement Program for Fiscal Year 2024

The City's fiscal year 2024 General Obligation capital budget includes \$189.3 million for capital projects, principally for three major categories: street improvements and enhancements, parks and recreation and municipal facilities. An additional \$75.0 million in General Obligation bond proceeds will be required to support the fiscal year 2024 General Obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend \$104.5 million on street improvements and enhancements including \$6.0 million for arterial overlay, \$2.2 million for Shiloh Road expansion from Park Boulevard to 14th Street, \$16.0 million for arterial repairs and \$18.8 million for residential concrete repair. The remaining funds for street improvements are for a variety of projects totaling \$61.4 million.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$61.5 million including \$14.4 million for Tom Muehlenbeck Recreation Center renovations, \$8.3 million for maintenance facilities, \$4.5 million for Enfield Park restroom renovations, \$3.0 million for Bob Woodruff Community Park renovations and \$3.0 million for Los Rios Park renovations. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$20.9 million including \$6.5 million for Fire Station No. 8 remodel, \$5.3 million for Fire Station No. 5 remodel and \$2.7 million for fueling stations. The remaining funds for municipal facilities are for a variety of projects.

Debt

At year-end, the City had \$705.7 million in bonds, tax anticipation notes, leases and subscription liability outstanding as compared to \$657.7 million at the end of the prior fiscal year, an increase of 7.3%.

Table 4
Outstanding Debt at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds and tax anticipation notes (backed by the City)	\$ 599,784	\$ 553,206	\$ -	\$ -	\$ 599,784	\$ 553,206
Revenue bonds (backed by fee revenues)	-	-	93,820	99,406	93,820	99,406
Leases payable	5,474	4,274	716	782	6,190	5,056
Subscription liability	5,901	-	-	-	5,901	-
Totals	\$ 611,159	\$ 557,480	\$ 94,536	\$ 100,188	\$ 705,695	\$ 657,668

During the current fiscal year, the City issued \$97.5 million in General Obligation bonds and \$8.4 million in Tax Anticipation Notes.

The City's General Obligation bonds and Tax Anticipation Notes continue to carry AAA-rated bonds issued by Moody's Investor Service, Standard & Poor's and Fitch, Inc., the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000. The City's Water and Sewer Revenue bonds carry AAA ratings as assigned by Standard & Poor's and AA+ ratings as assigned by Fitch. Municipal Drainage Revenue bonds are rated as Aa1 by Moody's and AAA as assigned by Standard & Poor's.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on General Obligation long-term debt.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation, as well as health related claims under the group accident and health insurance coverage provided to all City employees. The City has claims and judgments of \$9.5 million outstanding at year-end compared with \$8.6 million at the end of the prior fiscal year. Claims and judgements of \$5.0 million relate to property and liability losses while \$4.5 million relate to health claims.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities and self-insurance is presented in Notes 7 and 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City is a service industry and is subject to the same economic conditions affecting the rest of the country. This year, the City and community have seen significant inflation, supply chain disruption and labor shortages which are affecting the organization's financial condition. The City must recognize and continue to adapt to a mature environment where resource growth is reduced by slowed commercial growth, increased residential tax freezes, a dozen multi-family complexes coming off the tax rolls, along with rising costs of providing services. The City exhausted previously appropriated Federal funds including CARES and ARPA funds. These funds buffered the City and allowed us to weather the COVID economic fluctuation without impacting service levels. Within the strategic goal to deliver outstanding operational analysis and effectiveness, the City is committed to providing exceptional services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes maintaining the tax rate from the previous year's rate of 41.76 cents per \$100 of assessed property valuation. Additionally, over the past four years, the City has passed a tax rate at or near the No-New-Revenue Tax Rate, previously known as the Effective Tax Rate. The fiscal year 2024 Combined Budget was developed with a focus on Plano's five main values/priorities: financial policies/ratings, personnel, quality infrastructure, service demands/programs and affordability/property tax.

The 2024 budget was developed with a focus on the values and priorities that have made Plano successful while encompassing the organizational and community values that have made Plano the premier city in North Texas. While the City continues to experience an economic recovery from the impacts of the global pandemic (COVID), the City is entering the next lifecycle phase, which is characterized by a slowing of new revenue from green field development and will transition to a larger focus on infrastructure maintenance, commercial and corporate redevelopment and long-term revenue sustainability. The 2024 budget positions the City to adapt to a mature environment where resource growth is reduced by slowed commercial growth, increased residential tax freezes, along with rising costs of providing service that citizens have come to expect.

The annual budget is a critical City Council policy document that defines the service priorities and projects financial resources for the City of Plano. Given the cautious approach moving forward, the 2024 budget contains no new programs or services. The budget provides for continued maintenance and improvements to the City's \$2.8 billion infrastructure. With an aging infrastructure, it is critical for the City to reinvest in maintaining what it owns. Fortunately, increased property values and resulting revenues, as well as increased sales tax receipts, will allow us to continue a high level of funding for infrastructure maintenance and repair. The City is positioned to maintain our infrastructure, take care of our personnel, maintain our financial policies and bond ratings and also serve our citizens through existing service offerings and public safety programs.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2023
(unaudited)

The largest single revenue source in the fiscal year 2024 General Fund budget is property taxes, which account for 45.6% of total revenues. Assessed property values in Plano increased 10.5% from the prior year, including \$737.2 million in new property entering the tax roll for the first time. In addition, the 65 and over exemption equals \$7.7 million in property tax revenue this year. Existing property values are expected to increase by \$4.7 billion, or 9.0%. Sales tax revenue remains the City's second largest revenue source, making up 30.6% of General Fund revenues.

Increased costs in wholesale water rates and sewer treatment costs from the NTMWD have been included in the 2024 budget and are based on the latest adopted multi-year forecast and projections that were received by the District. The NTMWD will increase wholesale water rates from \$3.39 per thousand gallons to \$3.69 per thousand gallons in 2024. Additionally, wastewater treatment rates, including the Upper East Fork Interceptor, will increase in 2024 from \$4.32 per thousand gallons to \$4.88 per thousand gallons. These increases have been required to pay for debt service and the increased treatment and operational costs associated with the \$300 million pipeline that was opened in 2014 to bring raw water from Lake Texoma to the NTMWD Wylie Water Treatment Plant, and also support the expansion of, and improvements to, the District's water treatment operations. This is coupled with additional expansion of water reservoirs, namely the Bois d'Arc Lake. These improvements ensure that the region has an adequate supply of drinking water for many years in the future. Replacing deteriorating pipelines, improving treatment plants and extending main lines into sprawling North Texas neighborhoods raise water costs for everyone.

Sustainability and Environmental Services has faced enormous financial pressures over the last several years including the loss of all recycling revenue, increased cost for personnel, fuel and equipment plus contractual-related expenditures. Due to the current financial condition of the Sustainability and Environmental Services Fund, a \$2.5 million loan was made from the Water and Sewer Fund in 2023. The loan will be paid back starting in 2024 over seven years. The loan was necessary in order to offset the current financial deficit in 2023. The City finished updating the Environmental Services Rate Model with a consultant and the outcomes and rate increases have been included in the 2024 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Accounting Division, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.





BASIC FINANCIAL STATEMENTS

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 93,956,606	\$ 17,932,454	\$ 111,889,060	\$ 15,205,167
Investments	437,025,651	76,053,075	513,078,726	-
Receivables (net of allowance for uncollectibles)	30,077,295	41,108,913	71,186,208	289
Lease receivables	7,597,344	4,216,395	11,813,739	125,435
Internal balances	(14,074,445)	14,074,445	-	-
Due from other governments	2,502,228	-	2,502,228	-
Inventories	2,469,824	144,860	2,614,684	-
Prepaid items and other assets	753,716	2,522,473	3,276,189	-
Restricted assets:				
Cash and cash equivalents	-	4,533,508	4,533,508	-
Investments	-	21,294,072	21,294,072	-
Receivables	-	93,927	93,927	-
Capital assets:				
Nondepreciable	263,341,899	51,764,827	315,106,726	1,938,037
Depreciable (net)	1,218,828,970	423,596,355	1,642,425,325	-
Total assets	2,042,479,088	657,335,304	2,699,814,392	17,268,928
DEFERRED OUTFLOWS OF RESOURCES				
Pensions related	147,753,852	16,717,443	164,471,295	-
Other postemployment benefits related	23,276,216	3,584,040	26,860,256	-
Deferred charges on refundings	990,434	104,883	1,095,317	-
Total deferred outflows of resources	172,020,502	20,406,366	192,426,868	-
LIABILITIES				
Accounts payable	6,307,869	10,161,710	16,469,579	157,811
Accrued liabilities	8,416,237	1,921,701	10,337,938	-
Contracts payable	11,158,246	2,893,504	14,051,750	-
Accrued interest payable	2,014,356	1,201,399	3,215,755	-
Customer deposits	-	3,487,241	3,487,241	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	6,261,636	1,461,571	7,723,207	-
Due to other governments	211,599	-	211,599	-
Retainage payable	5,340,146	2,205,242	7,545,388	-
Seized assets payable	53,466	-	53,466	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	6,063,939	756,351	6,820,290	-
Leases payable	1,663,328	182,568	1,845,896	-
Subscription liabilities	756,677	-	756,677	-
Bonds and notes payable	44,732,345	5,921,049	50,653,394	-
Liability for insurance claims	9,453,846	-	9,453,846	-
Due in more than one year:				
Compensated absences	45,560,865	3,569,687	49,130,552	-
Leases payable	3,810,707	532,951	4,343,658	-
Subscription liabilities	5,144,958	-	5,144,958	-
Bonds and notes payable	555,051,662	87,899,025	642,950,687	-
Net pension liability	175,721,880	20,652,322	196,374,202	-
Net other postemployment benefits liability	19,308,518	3,026,602	22,335,120	-
Total liabilities	907,032,280	146,104,243	1,053,136,523	157,811
DEFERRED INFLOWS OF RESOURCES				
Pensions related	4,528,736	578,113	5,106,849	-
Other postemployment benefits related	13,236,106	2,226,370	15,462,476	-
Leases related	7,297,832	4,081,903	11,379,735	107,969
Total deferred inflows of resources	25,062,674	6,886,386	31,949,060	107,969
NET POSITION				
Net investment in capital assets	964,900,369	395,785,489	1,360,685,858	1,938,037
Restricted for:				
Special revenue:				
Public safety	39,351,001	-	39,351,001	-
Public services and operations	2,454,569	-	2,454,569	-
Other	429,339	-	429,339	-
Component unit	117,463	-	117,463	15,065,111
Debt service	3,324,399	5,967,745	9,292,144	-
Unrestricted	271,827,496	122,997,807	394,825,303	-
Total net position	\$ 1,282,404,636	\$ 524,751,041	\$ 1,807,155,677	\$ 17,003,148

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 34,046,772	\$ 7,762,769	\$ 704,813	\$ -
Administrative services	14,645,127	179,352	98	-
Police	111,065,230	8,945,533	7,767,939	75,894
Fire	85,566,977	6,839,571	11,958,004	-
Libraries	15,835,410	172,505	139,404	-
Development	47,473,343	8,758,244	14,705,040	-
Public services and operations	10,782,568	1,213,750	1,212,227	-
Parks and recreation	44,181,906	9,715,916	333,802	-
Public works	47,161,322	64,022	235,505	20,559,864
Technology solutions	28,354,541	5,088,198	-	-
Interest on long-term debt	15,904,802	-	-	-
Total governmental activities	455,017,998	48,739,860	37,056,832	20,635,758
Business-type Activities:				
Water and sewer	185,133,437	211,510,105	-	3,033,360
Sustainability and environmental services	33,700,795	23,506,783	-	-
Municipal drainage	7,772,336	11,160,281	-	-
Convention and tourism	11,409,220	3,678,588	-	-
Municipal golf course	1,082,288	1,324,162	-	-
Downtown center development	65,465	28,889	-	-
Recreation revolving	3,905,008	3,849,588	-	-
Total business-type activities	243,068,549	255,058,396	-	3,033,360
Total primary government	\$ 698,086,547	\$ 303,798,256	\$ 37,056,832	\$ 23,669,118
Component units	\$ 1,655,711	\$ -	\$ -	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel occupancy taxes
Other taxes
Franchise fees based upon gross receipts
Investment income
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (25,579,190)		\$ (25,579,190)	
(14,465,677)		(14,465,677)	
(94,275,864)		(94,275,864)	
(66,769,402)		(66,769,402)	
(15,523,501)		(15,523,501)	
(24,010,059)		(24,010,059)	
(8,356,591)		(8,356,591)	
(34,132,188)		(34,132,188)	
(26,301,931)		(26,301,931)	
(23,266,343)		(23,266,343)	
(15,904,802)		(15,904,802)	
<u>(348,585,548)</u>		<u>(348,585,548)</u>	
	\$ 29,410,028	29,410,028	
	(10,194,012)	(10,194,012)	
	3,387,945	3,387,945	
	(7,730,632)	(7,730,632)	
	241,874	241,874	
	(36,576)	(36,576)	
	(55,420)	(55,420)	
	<u>15,023,207</u>	<u>15,023,207</u>	
<u>(348,585,548)</u>	<u>15,023,207</u>	<u>(333,562,341)</u>	
			\$ (1,655,711)
222,561,336	-	222,561,336	3,991,431
114,129,170	-	114,129,170	-
2,819,115	-	2,819,115	-
-	12,588,654	12,588,654	-
286,528	-	286,528	-
22,059,424	9,242,409	31,301,833	-
19,757,576	4,261,478	24,019,054	-
9,412,500	(9,412,500)	-	-
<u>391,025,649</u>	<u>16,680,041</u>	<u>407,705,690</u>	<u>3,991,431</u>
42,440,101	31,703,248	74,143,349	2,335,720
1,239,964,535	493,047,793	1,733,012,328	14,667,428
<u>\$ 1,282,404,636</u>	<u>\$ 524,751,041</u>	<u>\$ 1,807,155,677</u>	<u>\$ 17,003,148</u>

CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023

	General	Debt Service	Capital Maintenance	Street Improvements
ASSETS				
Cash and cash equivalents	\$ 10,130,585	\$ 859,832	\$ 13,549,587	\$ 15,477,548
Investments	47,493,531	4,038,661	63,642,915	72,698,617
Receivables (net of allowance for uncollectibles):				
Taxes	19,793,443	422,448	-	-
Accounts	1,408,652	-	-	3,388,947
Accrued interest	496,102	17,814	280,725	320,668
Assessments	-	-	-	1,271,842
Other	-	-	-	-
Lease receivables	7,597,344	-	-	-
Due from other funds	2,735,839	-	-	-
Due from other governments	25,637	-	-	-
Inventories	219,221	-	-	-
Prepaid items and other assets	262,972	-	-	-
Total assets	\$ 90,163,326	\$ 5,338,755	\$ 77,473,227	\$ 93,157,622
LIABILITIES				
Accounts payable	\$ 2,436,391	\$ -	\$ -	\$ -
Accrued liabilities	8,076,204	-	-	-
Contracts payable	-	-	1,532,980	8,446,795
Unearned revenue	262,417	-	-	4,205,502
Due to other funds	30,341	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	162,301	4,312,583
Seized assets payable	-	-	-	-
Total liabilities	11,016,952	-	1,695,281	16,964,880
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	10,161,643	417,257	-	1,271,842
Leases related	7,297,832	-	-	-
Total deferred inflows of resources	17,459,475	417,257	-	1,271,842
FUND BALANCE				
Nonspendable:				
Prepaid items and inventories	482,193	-	-	-
Restricted for:				
Debt service	-	4,921,498	-	-
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Grant	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Other capital projects	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	268,234	-	-	-
Administrative services	183,328	-	-	-
Police	463,541	-	-	-
Fire	2,210,429	-	-	-
Libraries	368,365	-	-	-
Development	1,325,859	-	-	-
Public services and operations	63,909	-	-	-
Parks and recreation	274,887	-	-	-
Public works	80,083	-	-	-
Capital maintenance	-	-	75,777,946	-
Street improvements	-	-	-	74,920,900
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	4,818,623	-	-	-
Unassigned	51,147,448	-	-	-
Total fund balance	61,686,899	4,921,498	75,777,946	74,920,900
Total liabilities, deferred inflows and fund balance	\$ 90,163,326	\$ 5,338,755	\$ 77,473,227	\$ 93,157,622

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Grants	Other Governmental Funds	Total Governmental Funds
\$ 6,884,569 32,337,076	\$ 10,579,816 49,693,789	\$ 13,946,824 65,508,751	\$ 784,922 64,996	\$ 9,701,917 44,990,263	\$ 81,915,600 380,468,599
-	-	-	-	-	20,215,891
-	-	-	-	428	4,798,027
142,636	219,196	288,954	287	197,266	1,963,648
-	-	-	-	-	1,271,842
-	-	-	963,126	-	963,126
-	-	-	-	-	7,597,344
-	-	-	30,341	-	2,766,180
-	-	-	1,866,325	610,266	2,502,228
-	-	-	-	-	219,221
-	-	-	-	388,940	651,912
<u>\$ 39,364,281</u>	<u>\$ 60,492,801</u>	<u>\$ 79,744,529</u>	<u>\$ 3,709,997</u>	<u>\$ 55,889,080</u>	<u>\$ 505,333,618</u>
\$ -	\$ -	\$ 43,500	\$ 382,111	\$ 1,136,516	\$ 3,998,518
-	-	-	1,971	128,127	8,206,302
225,936	859,499	-	-	93,036	11,158,246
-	-	-	1,793,717	-	6,261,636
-	-	-	1,337,810	-	1,368,151
-	-	-	-	-	211,599
239,062	601,555	-	-	24,645	5,340,146
-	-	-	-	53,466	53,466
<u>464,998</u>	<u>1,461,054</u>	<u>43,500</u>	<u>3,515,609</u>	<u>1,435,790</u>	<u>36,598,064</u>
-	-	-	1,634,182	274,010	13,758,934
-	-	-	-	-	7,297,832
-	-	-	<u>1,634,182</u>	<u>274,010</u>	<u>21,056,766</u>
-	-	-	-	388,940	871,133
-	-	-	-	-	4,921,498
30,129,498	-	-	-	-	30,129,498
-	47,029,475	-	-	-	47,029,475
-	-	-	28,422	-	28,422
-	-	-	-	41,896,841	41,896,841
-	-	-	-	117,463	117,463
-	-	-	-	2,599,951	2,599,951
-	-	79,701,029	-	-	79,701,029
-	-	-	-	-	268,234
-	-	-	-	-	183,328
-	-	-	-	-	463,541
-	-	-	-	-	2,210,429
-	-	-	-	-	368,365
-	-	-	-	-	1,325,859
-	-	-	-	-	63,909
-	-	-	-	-	274,887
-	-	-	-	-	80,083
-	-	-	-	-	75,777,946
-	-	-	-	-	74,920,900
8,769,785	-	-	-	-	8,769,785
-	12,002,272	-	-	-	12,002,272
-	-	-	-	9,176,085	9,176,085
-	-	-	-	-	4,818,623
-	-	-	(1,468,216)	-	49,679,232
<u>38,899,283</u>	<u>59,031,747</u>	<u>79,701,029</u>	<u>(1,439,794)</u>	<u>54,179,280</u>	<u>447,678,788</u>
<u>\$ 39,364,281</u>	<u>\$ 60,492,801</u>	<u>\$ 79,744,529</u>	<u>\$ 3,709,997</u>	<u>\$ 55,889,080</u>	<u>\$ 505,333,618</u>

CITY OF PLANO, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

Total fund balance per balance sheet	\$ 447,678,788
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	1,416,386,213
Deferred charges on refundings represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	990,434
Deferred outflows related to pensions and other postemployment benefits.	171,030,068
Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology solutions, risk management and health claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	103,555,018
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(658,199,579)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.	13,758,934
Net pension and other postemployment benefits liability and deferred inflows related to pensions and other post employment benefits.	<u>(212,795,240)</u>
Net position of governmental activities	<u><u>\$ 1,282,404,636</u></u>

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Debt Service	Capital Maintenance	Street Improvements
REVENUES				
Taxes:				
Property taxes	\$ 150,459,009	\$ 57,155,919	\$ -	\$ -
Sales taxes	114,235,913	-	-	-
Mixed drink taxes	2,819,115	-	-	-
Other taxes	286,528	-	-	-
Franchise fees	21,594,398	-	-	-
Fines and forfeitures	4,309,118	-	-	-
Contributions	-	-	-	-
Rollback taxes	-	-	93,527	-
Licenses and permits	10,387,615	-	-	-
Intragovernmental	14,505,365	-	-	-
Intergovernmental	2,331,957	-	-	12,467,270
Charges for services	16,958,974	-	-	-
Assessments	-	-	-	27,979
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	3,610,722	1,318,494	2,430,460	2,415,837
Miscellaneous	1,979,065	75,894	28,995	255
Total revenues	343,477,779	58,550,307	2,552,982	14,911,341
EXPENDITURES				
Current operating:				
General government	35,598,255	-	-	-
Administrative services	13,339,342	-	-	-
Police	94,995,288	-	-	-
Fire	64,473,062	-	-	-
Libraries	14,712,379	-	-	-
Development	39,425,594	-	-	-
Public services and operations	8,202,046	-	-	-
Parks and recreation	31,911,843	-	-	-
Public works	9,020,804	-	-	-
Technology solutions	1,000,000	-	-	-
Capital outlay	2,469,576	-	27,771,679	85,071,614
Interest and fiscal charges	-	-	-	232,690
Debt service:				
Principal retirement	492,276	30,775,000	-	-
Interest and fiscal charges	48,137	21,564,132	-	-
Total expenditures	315,688,602	52,339,132	27,771,679	85,304,304
Excess (deficiency) of revenues over (under) expenditures	27,789,177	6,211,175	(25,218,697)	(70,392,963)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	39,466,758
Issuance of debt - refunding	-	24,965,000	-	-
Escrow payment - refunding	-	(33,441,098)	-	-
Premium on sale of bonds	-	2,122,859	-	4,678,520
Subscription-based arrangements	-	-	-	-
Leases issued	668,688	-	-	-
Transfers in	8,470,751	-	41,250,549	-
Transfers out	(43,600,986)	-	-	-
Total other financing sources (uses)	(34,461,547)	(6,353,239)	41,250,549	44,145,278
Net change in fund balances	(6,672,370)	(142,064)	16,031,852	(26,247,685)
Fund balances - beginning	68,359,269	5,063,562	59,746,094	101,168,585
Fund balances - ending	\$ 61,686,899	\$ 4,921,498	\$ 75,777,946	\$ 74,920,900

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,614,928
-	-	-	-	-	114,235,913
-	-	-	-	-	2,819,115
-	-	-	-	-	286,528
-	-	-	-	-	21,594,398
-	-	-	-	195,703	4,504,821
-	-	10,288,059	-	625,833	10,913,892
-	-	-	-	-	93,527
-	-	-	-	-	10,387,615
-	-	-	-	-	14,505,365
-	-	-	20,310,542	1,103,537	36,213,306
-	-	-	-	3,714,617	20,673,591
-	-	-	-	-	27,979
-	-	-	-	76,043	76,043
-	-	-	132,844	-	132,844
772,977	1,468,719	2,575,025	27,940	2,670,617	17,290,791
-	308,275	181,400	-	362,244	2,936,128
<u>772,977</u>	<u>1,776,994</u>	<u>13,044,484</u>	<u>20,471,326</u>	<u>8,748,594</u>	<u>464,306,784</u>
-	-	-	-	-	35,598,255
-	-	-	-	-	13,339,342
-	-	-	5,035,072	2,670,620	102,700,980
-	-	-	11,658,868	306,608	76,438,538
-	-	-	30,987	144,611	14,887,977
-	-	2,394,089	2,994,910	426,447	45,241,040
-	-	-	100,645	1,788,443	10,091,134
-	-	-	-	-	31,911,843
-	-	-	-	-	9,020,804
-	-	-	-	-	1,000,000
9,138,531	9,911,267	79,500	366,820	2,549,936	137,358,923
151,574	106,872	-	-	-	491,136
503,942	-	-	-	41,063	31,812,281
-	-	-	-	1,687	21,613,956
<u>9,794,047</u>	<u>10,018,139</u>	<u>2,473,589</u>	<u>20,187,302</u>	<u>7,929,415</u>	<u>531,506,209</u>
<u>(9,021,070)</u>	<u>(8,241,145)</u>	<u>10,570,895</u>	<u>284,024</u>	<u>819,179</u>	<u>(67,199,425)</u>
23,352,215	18,111,027	-	-	-	80,930,000
-	-	-	-	-	24,965,000
-	-	-	-	-	(33,441,098)
2,429,514	2,146,941	-	-	-	11,377,834
4,485,163	-	-	-	-	4,485,163
-	-	-	-	-	668,688
-	-	-	30,922	595,000	50,347,222
-	-	-	-	(53,650)	(43,654,636)
<u>30,266,892</u>	<u>20,257,968</u>	<u>-</u>	<u>30,922</u>	<u>541,350</u>	<u>95,678,173</u>
21,245,822	12,016,823	10,570,895	314,946	1,360,529	28,478,748
17,653,461	47,014,924	69,130,134	(1,754,740)	52,818,751	419,200,040
<u>\$ 38,899,283</u>	<u>\$ 59,031,747</u>	<u>\$ 79,701,029</u>	<u>\$ (1,439,794)</u>	<u>\$ 54,179,280</u>	<u>\$ 447,678,788</u>

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds \$ 28,478,748

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period. 66,321,136

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 8,282,443

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (52,019,455)

Pension and other postemployment benefits net expense are not reported in governmental funds. (14,989,053)

Pension and other postemployment benefits net expense in internal service funds (895,782)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 5,084,901

Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology solutions, risk management and health claims to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities. 2,177,163

Change in net position of governmental activities \$ 42,440,101

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023

	Business-type Activities					Governmental Activities- Internal Service Funds
	Enterprise Funds					
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 15,019,400	\$ 90,598	\$ 1,057,049	\$ 1,765,407	\$ 17,932,454	\$ 12,041,006
Investments	62,421,689	397,545	4,964,992	8,268,849	76,053,075	56,557,052
Receivables (net of allowance for uncollectibles):						
Accounts	35,151,075	2,383,123	1,352,398	1,115,390	40,001,986	10,941
Accrued interest	313,632	1,754	21,900	52,029	389,315	848,228
Other	42,089	652,276	-	23,247	717,612	5,592
Lease receivables	2,736,171	-	-	1,480,224	4,216,395	-
Inventories	144,860	-	-	-	144,860	2,250,603
Prepaid items and other assets	1,794,574	261,412	-	466,487	2,522,473	101,804
Advances to other funds	2,500,000	-	-	-	2,500,000	-
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	150,714	-	893,005	-	1,043,719	-
Investments	707,913	-	2,214,082	-	2,921,995	-
Accrued interest receivable	3,123	-	18,502	-	21,625	-
Revenue bond reserve fund-						
Investments	-	-	1,980,406	-	1,980,406	-
Revenue bond construction fund-						
Cash and cash equivalents	767,992	-	2,721,797	-	3,489,789	-
Investments	3,607,286	-	12,784,385	-	16,391,671	-
Accrued interest receivable	15,911	-	56,391	-	72,302	-
Total current assets	125,376,429	3,786,708	28,064,907	13,171,633	170,399,677	71,815,226
Capital assets:						
Land	4,868,391	-	197,726	2,992,154	8,058,271	62,522
Public art	-	-	-	50,000	50,000	-
Buildings	2,748,029	569,023	52,921	14,282,224	17,652,197	5,975,294
Right-to-use leased buildings	-	-	-	985,354	985,354	198,533
Improvements other than buildings	755,237,224	-	-	3,519,353	758,756,577	-
Equipment	-	462,816	15,048	1,995,447	2,473,311	59,518,435
Rolling equipment	-	-	-	-	-	79,849,762
Drainage improvements	-	-	62,602,347	-	62,602,347	-
Right-to-use leased equipment	-	-	-	59,760	59,760	5,067,215
Right-to-use subscription assets	-	-	-	-	-	1,792,898
Construction in progress	21,765,325	-	21,891,231	-	43,656,556	-
Less accumulated depreciation	(384,389,748)	(482,667)	(15,668,618)	(18,392,158)	(418,933,191)	(86,680,003)
Total capital assets (net of accumulated depreciation)	400,229,221	549,172	69,090,655	5,492,134	475,361,182	65,784,656
Total noncurrent assets	400,229,221	549,172	69,090,655	5,492,134	475,361,182	65,784,656
Total assets	525,605,650	4,335,880	97,155,562	18,663,767	645,760,859	137,599,882
DEFERRED OUTFLOWS OF RESOURCES						
Pensions related	7,133,906	5,355,809	1,434,933	2,792,795	16,717,443	8,477,629
Other postemployment benefits related	1,532,999	1,115,662	313,757	621,622	3,584,040	1,285,430
Deferred charges on refundings	-	-	104,883	-	104,883	-
Total deferred outflows of resources	8,666,905	6,471,471	1,853,573	3,414,417	20,406,366	9,763,059

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 8,421,699	\$ 59,330	\$ 1,508,773	\$ 171,908	\$ 10,161,710	\$ 2,309,351
Accrued liabilities	156,111	1,422,640	36,215	306,735	1,921,701	209,935
Due to other funds	-	-	-	144,700	144,700	1,253,329
Accrued interest payable	-	-	-	3,078	3,078	61,125
Leases payable	-	-	-	182,568	182,568	1,189,074
Subscription liabilities	-	-	-	-	-	316,555
Customer deposits	3,385,196	-	-	102,045	3,487,241	-
Escrow liability	231,320	-	-	-	231,320	-
Unearned revenue	110	-	-	1,461,461	1,461,571	-
Liability for compensated absences	330,463	276,016	22,063	127,809	756,351	160,542
Liability for insurance claims	-	-	-	-	-	9,453,846
Total current liabilities	12,524,899	1,757,986	1,567,051	2,500,304	18,350,240	14,953,757
Current liabilities payable from restricted assets:						
Contracts payable	2,893,504	-	-	-	2,893,504	-
Current portion of long-term debt	3,661,964	-	2,259,085	-	5,921,049	-
Accrued interest payable	535,294	-	663,027	-	1,198,321	-
Retainage payable	1,157,167	-	1,048,075	-	2,205,242	-
Total current liabilities payable from restricted assets	8,247,929	-	3,970,187	-	12,218,116	-
Total current liabilities	20,772,828	1,757,986	5,537,238	2,500,304	30,568,356	14,953,757
Noncurrent liabilities:						
Advance from other funds	-	2,500,000	-	-	2,500,000	-
Bonds payable	34,697,019	-	53,202,006	-	87,899,025	-
Net pension liability	9,074,319	6,465,063	1,753,166	3,359,774	20,652,322	10,239,738
Net other postemployment benefits liability	1,333,666	912,838	253,113	526,985	3,026,602	1,033,181
Leases payable	-	-	-	532,951	532,951	2,972,618
Subscription liabilities	-	-	-	-	-	1,147,834
Liability for compensated absences	1,440,595	1,257,348	256,526	615,218	3,569,687	751,510
Total noncurrent liabilities	46,545,599	11,135,249	55,464,811	5,034,928	118,180,587	16,144,881
Total liabilities	67,318,427	12,893,235	61,002,049	7,535,232	148,748,943	31,098,638
DEFERRED INFLOWS OF RESOURCES						
Pensions related	298,425	105,485	10,370	163,833	578,113	37,082
Other postemployment benefits related	1,027,247	671,393	166,015	361,715	2,226,370	678,738
Leases related	2,623,617	-	-	1,458,286	4,081,903	-
Total deferred inflows of resources	3,949,289	776,878	176,385	1,983,834	6,886,386	715,820
NET POSITION						
Net investment in capital assets	362,210,757	549,172	28,248,945	4,776,615	395,785,489	60,158,575
Restricted for:						
Debt service	861,750	-	5,105,995	-	5,967,745	-
Unrestricted	99,932,332	(3,411,934)	4,475,761	7,782,503	108,778,662	55,389,908
Total net position	\$ 463,004,839	\$ (2,862,762)	\$ 37,830,701	\$ 12,559,118	\$ 510,531,896	\$ 115,548,483

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

Total net position - total enterprise funds	\$ 510,531,896
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Amounts reported for business-type activities in the statement of net position are different because:

Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology solutions, risk management and health claims to individual funds.

The net receivable due from activities of the internal service funds is reported within business-type activities.

14,219,145

Net position of business-type activities
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\$ 524,751,041

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
OPERATING REVENUES						
Charges for services	\$ 210,825,112	\$ 17,587,153	\$ 9,847,821	\$ 8,782,776	\$ 247,042,862	\$ 105,647,397
Franchise fees	-	9,242,409	-	-	9,242,409	-
Sale of compost products	-	3,308,481	-	-	3,308,481	-
Subrogation receipts	-	-	-	-	-	977,918
Intergovernmental	-	70,214	-	-	70,214	310,318
Contributions	-	2,406	-	-	2,406	-
Miscellaneous charges	603,566	2,479,211	106,545	77,865	3,267,187	4,712
Total operating revenues	211,428,678	32,689,874	9,954,366	8,860,641	262,933,559	106,940,345
OPERATING EXPENSES						
Personnel services	12,753,138	9,428,573	3,553,696	5,834,461	31,569,868	15,670,510
Pension and other postemployment benefits expense (net)	677,989	569,520	147,291	282,730	1,677,530	895,782
Contractual services	11,075,118	11,160,402	1,395,677	9,198,615	32,829,812	22,334,085
Supplies	2,399,980	618,664	348,419	1,135,345	4,502,408	11,020,453
Claims expense	-	-	-	-	-	45,683,823
Depreciation and amortization	18,288,871	63,130	1,188,866	353,940	19,894,807	15,073,080
Solid waste disposal	-	8,952,306	-	-	8,952,306	-
Wastewater treatment	43,373,195	-	-	-	43,373,195	-
Charges in lieu of taxes	12,156,703	2,348,662	-	-	14,505,365	-
Water supply	81,813,711	-	-	-	81,813,711	-
Miscellaneous	1,811,896	287,124	29,299	143,403	2,271,722	176,653
Total operating expenses	184,350,601	33,428,381	6,663,248	16,948,494	241,390,724	110,854,386
Operating income (loss)	27,078,077	(738,507)	3,291,118	(8,087,853)	21,542,835	(3,914,041)
NONOPERATING REVENUES (EXPENSES)						
Investment income	2,746,241	-	1,176,746	338,491	4,261,478	2,466,785
Gain on property disposition	(366)	-	-	-	(366)	1,169,705
Interest and fiscal charges	(1,063,781)	-	(1,586,979)	(33,265)	(2,684,025)	(220,829)
Auction proceeds	3,465	-	-	12,774	16,239	-
Hotel occupancy taxes	-	-	-	12,588,654	12,588,654	-
Miscellaneous	77,962	59,318	1,205,915	7,812	1,351,007	66,413
Total nonoperating revenues	1,763,521	59,318	795,682	12,914,466	15,532,987	3,482,074
Income (loss) before contributions and transfers	28,841,598	(679,189)	4,086,800	4,826,613	37,075,822	(431,967)
Contributions from developers	3,033,360	-	-	-	3,033,360	-
Transfers in	5,000,000	-	-	49,601	5,049,601	2,969,914
Transfers out	(10,016,726)	-	(1,648,662)	(2,796,713)	(14,462,101)	(250,000)
Change in net position	26,858,232	(679,189)	2,438,138	2,079,501	30,696,682	2,287,947
Total net position - beginning	436,146,607	(2,183,573)	35,392,563	10,479,617	479,835,214	113,260,536
Total net position - ending	\$ 463,004,839	\$ (2,862,762)	\$ 37,830,701	\$ 12,559,118	\$ 510,531,896	\$ 115,548,483

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Change in net position - total enterprise funds	\$ 30,696,682
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Amounts reported for business-type activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology solutions, risk management and health claims to individual funds.

The net revenues of certain activities of internal service funds are reported within business-type activities.

1,006,566

Change in net position of business-type activities	<u>\$ 31,703,248</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 205,987,050	\$ 23,024,284	\$ 9,817,822	\$ 9,022,892	\$ 247,852,048	\$ -
Cash received from other funds	-	-	-	-	-	105,989,496
Cash received from subrogation	-	-	-	-	-	977,918
Franchise fees	-	9,242,409	-	-	9,242,409	-
Charges in lieu of taxes	(12,156,703)	(2,348,662)	-	-	(14,505,365)	-
Cash payments to suppliers for goods and services	(142,724,248)	(22,048,605)	(1,778,009)	(10,437,147)	(176,988,009)	(73,227,230)
Cash paid to or on behalf of employees for services	(12,758,097)	(9,944,807)	(3,539,266)	(5,851,360)	(32,093,530)	(15,553,801)
Net cash provided (used) by operating activities	38,348,002	(2,075,381)	4,500,547	(7,265,615)	33,507,553	18,186,383
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances to other funds	(2,500,000)	-	-	-	(2,500,000)	-
Advances from other funds	-	2,500,000	-	-	2,500,000	-
Hotel occupancy taxes	-	-	-	12,588,654	12,588,654	-
Transfers to other funds	(5,016,726)	-	(1,648,662)	(2,796,713)	(9,462,101)	1,250,000
Transfers from other funds	-	-	-	49,601	49,601	1,469,914
Net cash provided (used) by noncapital financing activities	(7,516,726)	2,500,000	(1,648,662)	9,841,542	3,176,154	2,719,914
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(20,623,402)	-	(13,320,577)	-	(33,943,979)	(26,781,979)
Bond issuance costs paid	(5,000)	-	(2,250)	-	(7,250)	-
Proceeds from sale of equipment	3,099	-	-	12,774	15,873	2,056,691
Principal paid on long-term debt	(3,020,000)	-	(1,955,000)	(171,885)	(5,146,885)	(1,529,280)
Interest and fees paid on long-term debt	(1,569,350)	-	(1,749,019)	(33,633)	(3,352,002)	(173,369)
Contributions by developers	-	-	1,200,000	-	1,200,000	-
Proceeds from insurance damages	77,962	59,318	5,915	7,812	151,007	54,139
Net cash provided (used) by capital and related financing activities	(25,136,691)	59,318	(15,820,931)	(184,932)	(41,083,236)	(26,373,798)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(66,736,888)	(397,545)	(21,943,865)	(8,268,849)	(97,347,147)	(56,557,052)
Proceeds from sale and maturities of investment securities	64,510,692	-	33,964,400	6,471,512	104,946,604	63,754,831
Interest on investments	2,712,049	(1,754)	1,211,678	327,159	4,249,132	2,035,152
Net cash provided (used) by investing activities	485,853	(399,299)	13,232,213	(1,470,178)	11,848,589	9,232,931
Net increase in cash and cash equivalents	6,180,438	84,638	263,167	920,817	7,449,060	3,765,430
Cash and cash equivalents - beginning	9,757,668	5,960	4,408,684	844,590	15,016,902	8,275,576
Cash and cash equivalents - ending	\$ 15,938,106	\$ 90,598	\$ 4,671,851	\$ 1,765,407	\$ 22,465,962	\$ 12,041,006
Classified as:						
Current assets	\$ 15,019,400	\$ 90,598	\$ 1,057,049	\$ 1,765,407	\$ 17,932,454	\$ 12,041,006
Restricted assets	918,706	-	3,614,802	-	4,533,508	-
Total	\$ 15,938,106	\$ 90,598	\$ 4,671,851	\$ 1,765,407	\$ 22,465,962	\$ 12,041,006
Noncash disclosures:						
Developers' contributions	\$ 3,033,360	\$ -	\$ -	\$ -	\$ 3,033,360	\$ -
Premium amortization	457,357	-	229,085	-	686,442	-
Amortization of deferred charge on refunding	-	-	(16,564)	-	(16,564)	-
Property disposition/adjustments	(366)	-	-	-	(366)	(874,712)
Increase (decrease) in fair value of investments	(326,417)	19,426	629,958	(238,505)	84,462	781,824
Transfer in (out) of capital assets	(16,003)	(14,604)	(509,393)	-	(540,000)	1,160,526

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 27,078,077	\$ (738,507)	\$ 3,291,118	\$ (8,087,853)	\$ 21,542,835	\$ (3,914,041)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	18,288,871	63,130	1,188,866	353,940	19,894,807	15,073,080
Pension and other postemployment benefits expense (net)	677,989	569,520	147,291	282,730	1,677,530	895,782
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivables	(10,820,173)	(425,140)	(136,544)	(59,545)	(11,441,402)	(10,941)
Leases receivables	277,430	-	-	9,398	286,828	-
Other receivables	(2,738)	1,959	-	(3,337)	(4,116)	(5,065)
Due from other funds	285,374	-	-	-	285,374	-
Due from other governments	-	-	-	-	-	(310,318)
Prepaid items and other assets	1,742,807	674,551	980	(9,934)	2,408,404	4,112,493
Inventories	15,791	-	-	-	15,791	(124,288)
Increase (decrease) in-						
Accounts payable	1,169,356	109	(5,594)	53,487	1,217,358	1,143,936
Accrued liabilities	39,314	(348,532)	10,698	10,552	(287,968)	57,396
Due to other funds	-	(1,704,769)	-	144,700	(1,560,069)	356,580
Liability for compensated absences	(44,273)	(167,702)	3,732	(27,451)	(235,694)	59,313
Customer deposits	(26,449)	-	-	(29,585)	(56,034)	-
Deferred inflows from leases	(333,364)	-	-	(28,144)	(361,508)	-
Unearned revenue	(10)	-	-	125,427	125,417	-
Liability for insurance claims	-	-	-	-	-	852,456
Total adjustments	11,269,925	(1,336,874)	1,209,429	822,238	11,964,718	22,100,424
Net cash provided (used) by operating activities	\$ 38,348,002	\$ (2,075,381)	\$ 4,500,547	\$ (7,265,615)	\$ 33,507,553	\$ 18,186,383

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2023

	Pension and Other Post-Employment Benefits Trust Funds	Collin Creek Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 1,785,749	\$ 21,608,023
Investments:		
Mutual funds:		
Domestic equity funds	126,083,546	-
International equity funds	64,751,756	-
Fixed income funds	32,416,832	-
Bank loans	13,736,964	-
Real estate investment trusts	24,968,064	-
Collective investment trusts	33,446,277	-
Diversified inflation strategies	13,345,812	-
Accrued interest	11,430	-
Prepaid items and other assets	37,777	-
Total assets	310,584,207	21,608,023
LIABILITIES		
Accrued liabilities	829,492	1,387,960
Bond holder liability	-	45,939,944
Total liabilities	829,492	47,327,904
NET POSITION		
Net position restricted for pensions	195,751,906	-
Net position restricted for other postemployment benefits	114,002,809	-
Net position restricted for custodial funds	-	(25,719,881)
Total net position	\$ 309,754,715	\$ (25,719,881)

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Pension and Other Post-Employment Benefits Trust Funds	Collin Creek Custodial Funds
ADDITIONS		
Contributions:		
From employers	\$ 11,661,757	\$ -
From retirees	2,888,240	-
From City and developer	-	1,227,586
Total contributions	<u>14,549,997</u>	<u>1,227,586</u>
Investment return:		
Net increase in fair value of investment	29,929,582	-
Interest	50,840	-
Dividends	4,711,861	1,949,231
Miscellaneous	20,187	-
Total investment return	<u>34,712,470</u>	<u>1,949,231</u>
Less investment expenses:		
Trustee fees	117,514	-
Advisory fees	203,306	-
Total investment expenses	<u>320,820</u>	<u>-</u>
Net investment return	<u>34,391,650</u>	<u>1,949,231</u>
Total additions	<u>48,941,647</u>	<u>3,176,817</u>
DEDUCTIONS		
Benefits	14,575,594	-
Administrative expenses	2,863,982	-
Bond interest	-	2,020,774
Project expenses	-	45,164,107
Total deductions	<u>17,439,576</u>	<u>47,184,881</u>
Change in net position	31,502,071	(44,008,064)
Total net position - beginning	<u>278,252,644</u>	<u>18,288,183</u>
Total net position - ending	<u>\$ 309,754,715</u>	<u>\$ (25,719,881)</u>

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Plano, Texas (the City) was originally incorporated in 1873 and chartered on June 10, 1961. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the Statement of Net Position and Statement of Activities. The City's Statement of Net Position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the Statement of Activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary and fiduciary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis (MD&A) provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any special revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its discretely presented component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Units.

The City has established a Tax Increment Financing District Number Two (TIF No. 2) for project improvements within the City. The TIF No. 2 provides financing for public improvements associated with the future development of East Plano. The project was approved by City Council in fiscal year 1999. The TIF No. 2 is legally separate from the City, and the City appoints a majority of its governing board; however, the entity is fiscally dependent on the City. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15-year term includes participation with the City, as well as, Collin County. Financial reports may be obtained by request to the City's Accounting Division, 1520 Avenue K, Suite 370, Plano, Texas 75074.

In December 2018, City Council approved Tax Increment Financing District Number Three (TIF No. 3) to support construction and development of the Silver Line (formerly Cotton Belt) Regional Rail Project in the City of Plano. TIF No. 3 consists of two non-contiguous areas within an approximate ½ mile walking distance of planned 12th Street and Shiloh Road Stations. A station along the Dallas Area Rapid Transit (DART) Red Line is also planned for the project. Properties within TIF No. 3 largely consist of commercial, industrial and office type uses. The base year for calculating tax increments is 2018. Contributions are limited to a total of \$12.3 million or the revenue on real property taxes levied through 2038, whichever occurs first. A portion of the increments collected from existing TIF No. 2 parcels within an approximate ½ mile walking distance of the proposed 12th Street Station shall also be dedicated to the project. Project expenditures are expected to begin third quarter of 2024 and, therefore, no expenses are reported in the current fiscal year.

On July 22, 2019, a development agreement for the Collin Creek Mall Redevelopment Project was approved between the City and Collin Creek Development, LLC (developer). As part of the agreement, City Council agreed to consider establishing Tax Increment Reinvestment Zone Number Four (TIRZ No. 4). In addition, City Council adopted a resolution establishing the Collin Creek West Public Improvement District (PID) in February 2021. The Collin Creek East PID was approved by resolution in January 2020 and its expansion in February 2021. The Collin Creek West PID and the Collin Creek East PID's first Service and Assessment plan and Assessment Roll was approved by ordinance(s) in August 2021. Service and Assessment Plan updates are required to be approved annually. The City is current with its updates and the discretely presented component unit had no activity in fiscal year 2023. The City recognizes the positive impact the Collin Creek PIDs will bring to the City and promote state and local economic development.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component units.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Blended Component Units.

The City first established a Downtown Plano PID for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. In November 2017, City Council voted to renew the PID for an additional five years. That PID was allowed to expire and a new PID with the same purpose was established in December 2022. The new PID has a 10-year term. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The Advisory Board consists of all property owners within the Downtown Plano PID. The Advisory Board prepares an annual service plan and assessment plan for consideration to City Council for their review and approval.

The Plano Improvement Corporation (PIC) was established as a 501(c)3 to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations, desire to donate to the City to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the other governmental funds category.

On January 9, 2023, City Council conducted a public hearing to consider a petition requesting the creation of the Haggard Farm PID. A resolution creating the PID was approved. In August 2023, a development agreement for the Haggard Farm Project was approved between the City and Haggard Enterprises Limited, LTD and Acres of Sunshine LTD (developer). The City received payment from the developer to pay for outside professional services utilized in this project. City Council adopted a resolution calling for a public hearing to consider the Service and Assessment Plan and Assessment Roll for the Haggard Farm PID on October 23, 2023. The City recognizes the positive impact the Haggard Farm PID will bring to the City and how it will promote economic development.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

The GASB has issued the following statements:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The requirements of this Statement have no impact on the City's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), provides guidance on the accounting and financial reporting of contractual arrangements. It defines SBITA; establishes that a SBITA results in a right-to-use subscription asset; provides capitalization criteria; and requires note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City has implemented this Statement in fiscal year 2023.

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

financial reporting for financial guarantees. The requirements of this Statement related to extension of use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended and terminology updates related to Statements No. 53 and 63 were implemented in the prior fiscal year. All other requirements of this Statement have been implemented in fiscal year 2023.

GASB Statement No. 101, *Compensated Absences*, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues. The net cost (by function or business-type activity) is normally covered by general revenue, such as property and sales taxes, franchise fees and interest income.

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the General, Debt Service, Capital Maintenance, Street Improvements, Municipal Facilities, Park Improvements, Economic Development Incentive and Grants funds. The major enterprise funds are the Water and Sewer, Sustainability and Environmental Services and Municipal Drainage funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

Internal service funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

(police, fire, public works, etc.). The City's internal service funds consist of Equipment Maintenance, Municipal Warehouse, Technology Solutions, Risk Management and Health Claims funds.

The City's fiduciary funds are presented only in the fund financial statements. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, developer projects, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the Pension Trust and Other Post-Employment Benefits (OPEB) Trust Funds, as well as, custodial funds related to the Collin Creek Mall redevelopment project.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as, the fiduciary funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets, liabilities and deferred outflows and inflows (whether current or noncurrent) are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, leave liabilities and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology arrangements are reported as other financing sources.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept.

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings or losses are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are measurable when assessed but are generally not available for use.

Proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer, Sustainability and Environmental Services, Municipal Drainage, Convention and Tourism, Municipal Golf Course, Downtown Center Development and Recreation Revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- a. The General Fund accounts for several of the City's primary services (police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.
- b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. The Capital Maintenance Fund accounts for the financing of betterments and renewals to the City's facilities and infrastructure and for public improvements not requiring general obligation bond financing.
- d. The Street Improvements Fund accounts for the financing and acquisition of right-of-way and construction of streets, storm sewers and alleys. Resources are provided primarily through bond sales, paving assessments and interest earnings.
- e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- f. The Park Improvements Fund accounts for the financing and construction of park projects. Funds are provided primarily through bond sales and interest earnings.
- g. The Economic Development Incentive Fund accounts for a portion of ad valorem tax revenue designated by City Council for stimulating economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.
- h. The Grant Fund accounts for resources received from other governmental agencies.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position and cash flows, which is similar to businesses. The following is a description of the major enterprise funds of the City:

- a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure financial integrity of the fund.
- b. The Sustainability and Environmental Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.

3. Other Fund Types:

The City additionally reports for the following fund types:

- a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.
- b. Fiduciary funds are used to account for the accumulation of resources to be used for the retirement benefit payments, postemployment health benefits for employees of the City and project redevelopment of the Collin Creek Mall area.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are pooled in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and investments in government pools, which are recorded at amortized cost and certain pension and OPEB Trust funds that are measured at net asset value. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

I. Interfund Transactions

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds, for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds, are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at acquisition value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Right-to-use leased and subscription assets are discussed in notes I. Q. and I. R., respectively, below.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, right-to-use leased and subscription assets and infrastructure of the primary government and business-type activities are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Right-to-use leased buildings	3-100
Improvements other than buildings	20-50
Equipment	5-10
Right-to-use leased equipment	3-10
Right-to-use subscription assets	2-10
Infrastructure	30-50
Drainage Improvements	50

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation up to 480 hours. Vacation leave cannot accrue in excess of 480 hours. Full-time, non-civil service employees, with at least five years of service, are eligible to be paid out for unused sick leave upon termination up to 720 hours. However, fire department civil service shift personnel may be paid for up to 1,080 hours. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are accounted for within the Grant Fund (special revenue), Street Improvements Fund (capital projects) and Park Improvements Fund (capital projects). Various state grants are also included in the Grant Fund and Street Improvements Fund. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Retirement Plans

The City has two separate retirement (pension) plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has an Internal Revenue Code Section 457 deferred compensation plan and an OPEB plan (Section 115 Other Post-Employment Benefits Trust or 115 Trust). It is the City's policy to record the cost for such plans on the accrual basis (see Note 5).

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Difference in expected and actual experience for the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in projected and actual investment earnings on pension and OPEB plans' assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions used to determine pension liability for the pension and OPEB plans – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Pension and OPEB plans' employer contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Deferred charges on refundings – This outflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Unavailable revenue – These deferred inflows are reported on the governmental funds balance sheet as the funds are not received soon enough after year end to pay liabilities of the current period. These deferred inflows are reclassified to revenue on the governmental-wide financial statements.
- Difference in expected and actual experience for the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine liabilities for the RSP and OPEB plan – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Deferred amounts related to leases – This amount is initially an offset to Lease Receivable recorded at lease commencement, and subsequently, recognized as revenue over the life of the lease term.

O. Long-Term Debt

General Obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax Anticipation Notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, issuance costs, in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

The Sustainability and Environmental Services Fund reported negative net position of \$2,862,762 at September 30, 2023. Operating expenses continue to exceed revenues. In fiscal year 2024, revenues are projected to increase 12.7%. Expenses are projected to increase in 2024 to account for the growth in commercial and residential entities.

The Grant Fund also reported negative fund balance of \$1,439,794 at September 30, 2023, due to reimbursements not being received within 30 days and, therefore, not considered available to pay liabilities of the current period.

The Risk Management Fund ended fiscal year 2023 with a negative net position of \$66,357. Claims expense continues to increase resulting in higher amounts funded by the General, Water and Sewer and Sustainability and Environmental Services funds.

Q. Leases

The City has contracts as lessee and lessor related to various capital assets.

Lessee –

The City recognizes a lease liability and intangible right-to-use lease assets in the government-wide and proprietary funds financial statements.

The City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use assets were initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use assets are amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor –

The City recognizes lease receivables and deferred inflows of resources in the government-wide, governmental funds and proprietary funds financial statements.

The City initially measures the lease receivables at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivables, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its leases, and will re-measure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivables.

R. Subscription-Based Information Technology Arrangements (SBITA)

Effective October 1, 2022, the City implemented GASB Statement No. 96, *Subscription-Based Technology Arrangements*, which provides guidance on the accounting and financial reporting of contractual arrangements. It required the recognition of certain right-to-use subscription assets and corresponding liabilities.

The City has contracts with SBITA vendors for the right-to-use information technology software, alone or in combination with tangible capital assets. The City recognizes subscription liabilities, reported with long-term debt, and right-to-use subscription assets, reported with the other capital assets, in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 96 and the commencement of SBITAs beginning after October 1, 2022, the City initially measured the subscription liabilities at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liabilities are reduced by the principal portion of SBITA payments made. The right-to-use subscription assets are initially measured as the initial amount of the subscription liabilities, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liabilities are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, "Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Bonds and tax anticipation notes payable	\$ (560,985,000)
Bond premium	(38,799,007)
Accrued interest payable	(1,953,231)
Leases payable	(1,312,343)
Subscription liabilities	(4,437,246)
Compensated absences	(50,712,752)
	<u>\$ (658,199,579)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense." The details of this difference are as follows:

Capital outlay	\$ 137,358,923
Depreciation expense	(64,593,789)
Lease and SBITA amortization expense	(666,832)
Other capital-related transactions	(5,777,166)
	<u>\$ 66,321,136</u>

Another element of the reconciliation states, "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Bonds issued:	
New money	\$ (80,930,000)
Refunded bonds	(24,965,000)
Premium	(11,377,834)
Payment to escrow agent	33,441,098
Principal payments	30,775,000
Lease and SBITA principal payments	1,037,281
	<u>\$ (52,019,455)</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

The reconciliation also states, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds."

The details of this difference are as follows:

Compensated absences	\$ (845,082)
Accrued interest	(141,223)
Amortization of deferred charge on refunding	(784,003)
Amortization of bond premium	6,855,209
	<u>\$ 5,084,901</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to City Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of City Council at which the budget is submitted, City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should City Council fail to so adopt a budget, the then existing budget together with its tax-leaving ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there was an appropriation increase of \$3,500,000 for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Schedule, included in the required supplementary information section of this report, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

- The portion of ad valorem tax revenues in the General Fund from "rolled back" tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

- The General Fund encumbrances are added to the actual expenditures for budgetary comparison.
- The GASB 31 fair value adjustments are excluded for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as, through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the General Fund and includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year. Below are details of encumbrances at September 30, which are classified as a portion of assigned fund balance:

Assigned to encumbrances:

Governmental funds

General	\$ 5,238,635
Capital maintenance	23,216,502
Street improvements	74,920,900
Municipal facilities	8,769,785
Park services	236,271
Park improvements	12,002,272
	<u>\$ 124,384,365</u>

City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify or rescind a fund balance commitment is a resolution approved by City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

City Council has authorized the City Manager as the official to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by City Council and unassigned fund balance), the City

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. City Council has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a fair value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2023, the carrying amount of the City's demand deposits was \$6,025,571, which includes component units' deposits of \$15,205,167. The bank balance was \$9,174,525. Cash on hand totaled \$1,759,944. The carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD) were \$31,783,389. The carrying value of cash held in trust by a bank trust department for the Pension and Other Post-Employment Benefits Trust Funds were \$2,636,775. The carrying value of cash held in trust by a bank trust department for the Collin Creek Custodial Funds was \$21,608,023.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs. As of September 30, 2023, the City does not value any of its investments using Level 3 inputs. Additionally, the Pension and Other Post-Employment Benefits Trust Funds have investments measured at the Net Asset Value (NAV). Investments measured at NAV are not classified in the fair value hierarchy.

The City has the following recurring fair value measurements as of September 30, 2023:

- U.S. agencies of \$222.3 million are valued using matrix pricing (Level 2 inputs)
- Municipal bonds of \$280.3 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

The Pension and Other Post-Employment Benefits Trust Funds have the following recurring fair value measurements as of September 30, 2023:

- Fixed income investments of \$32.4 million are valued using quoted market prices (Level 1 inputs)
- Equities of \$190.8 million are valued using quoted market prices (Level 1 inputs)

At September 30, 2023, the City's investment balances measured at fair value levels were as follows:

	9/30/2023	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)	Significant Other Observable Inputs Primary Government (Level 2)	Significant Other Observable Inputs Component Unit (Level 2)	Weighted Avg Maturity (Years)
Government-wide					
U.S. agencies	\$ 222,307,903	\$ -	\$ 222,307,903	\$ -	0.6050
Municipal bonds	280,281,506	-	280,281,506	-	0.8582
Total Government-wide	502,589,409	-	502,589,409	-	1.4632
Trust Funds					
Pension and Other					
Post-Employment Benefits:					
Fixed income funds	32,416,832	32,416,832	-	-	NA
Domestic equity funds	126,083,546	126,083,546	-	-	NA
International equity funds	64,751,756	64,751,756	-	-	NA
Total Investment Trust Funds	223,252,134	223,252,134	-	-	
Total Investments Measured at Fair Value	725,841,543	\$ 223,252,134	\$ 502,589,409	\$ -	

At September 30, 2023, the City's investment balances measured at the net asset value (NAV) per share (or its equivalent) were as follows:

	9/30/2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Trust Funds				
Pension and Other				
Post-Employment Benefits:				
Real estate collective trusts	\$ 24,968,064	\$ -	Quarterly	45 days
Collective investment trusts	33,446,278	-	Not limited	None
Bank loans	13,736,964	-		
Diversified inflation strategies	13,345,811	-		
Total Investments Measured at the NAV	85,497,117	\$ -		
Total Investments	\$ 811,338,660			

In addition, the City had investments in government pools at September 30, 2023 totaling \$122,991,194, which are recorded at amortized cost. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in the Pension and the Other Post-Employment Benefits Trust Funds are held by a bank trust department, apart from the overall City's cash and investments. The City employs the services of professional investment managers, an investment consultant and a custodial bank to retain the assets and administer benefit payments of the Pension and Other Post-Employment Benefits Trust Funds. The

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

investments are subject to the policies and guidelines established by the Pension and Other Post-Employment Benefits Trust Funds committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by, governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer, or no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Tennessee Valley Authority (TVA), Federal Agricultural Mortgage Corporation (FAMC), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Company (FHLMC), Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The investment in the Texas Local Government Pools (Texas Class, Texas Daily and Texas Fixed Income Trust) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2023.

Custodial Credit Risk. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Concentration of Credit Risk. With the exception of U.S. Treasury securities and authorized pools, the City's investment policy limits the amount that may be invested in any one security type to 50% of the total investment portfolio. As of September 30, 2023, five percent (5%) or more of the City's total investments are in municipal bonds (42.1%), Federal National Mortgage Association (10.3%) and investment pools (18.5%), on a fair value basis.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

2. PROPERTY TAXES:

The City's ad valorem, or property tax, is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The original certified assessed value for the tax roll of January 1, 2022, was \$51,981,494,209. Subsequent adjustments decreased this value to \$50,611,744,509.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2023, were 99.7% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2023, was \$0.4176 (\$0.3026 for general government and \$0.1150 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of \$2.0824 per \$100 and could have levied up to \$1,053,938,968 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the no-new-revenue rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, an election is required to determine whether to limit the tax rate to no more than 3.5% above the tax rate of the previous year.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

3. RECEIVABLES:

Receivables at September 30, 2023 for the government's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Other Taxes	Accounts	Leases	Accrued Interest	Assessments	Other	Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
General	\$ 2,903,726	\$ 18,665,533	\$ 1,408,652	\$ 7,597,344	\$ 496,102	\$ -	\$ -	\$ 31,071,357	\$ (1,775,816)	\$ 29,295,541
Debt Service	1,078,723	-	-	-	17,814	-	-	1,096,537	(656,275)	440,262
Capital Maintenance	-	-	-	-	280,725	-	-	280,725	-	280,725
Street Improvements	-	-	3,388,947	-	320,668	1,271,842	-	4,981,457	-	4,981,457
Municipal Facilities	-	-	-	-	142,636	-	-	142,636	-	142,636
Park Improvements	-	-	-	-	219,196	-	-	219,196	-	219,196
Economic Development										
Incentive	-	-	-	-	288,954	-	-	288,954	-	288,954
Grant	-	-	-	-	287	-	963,126	963,413	-	963,413
Water and Sewer	-	-	35,151,075	2,736,171	332,666	-	42,089	38,262,001	-	38,262,001
Sustainability and Environmental Services	-	-	2,383,123	-	1,754	-	652,276	3,037,153	-	3,037,153
Municipal Drainage	-	-	1,352,398	-	96,793	-	-	1,449,191	-	1,449,191
Nonmajor and Other Funds	-	-	1,126,759	1,480,224	1,097,523	-	28,839	3,733,345	-	3,733,345
	<u>\$ 3,982,449</u>	<u>\$ 18,665,533</u>	<u>\$ 44,810,954</u>	<u>\$ 11,813,739</u>	<u>\$ 3,295,118</u>	<u>\$ 1,271,842</u>	<u>\$ 1,686,330</u>	<u>\$ 85,525,965</u>	<u>\$ (2,432,091)</u>	<u>\$ 83,093,874</u>

The enterprise fund accounts receivable includes unbilled charges for services of \$11,585,627 rendered at September 30, 2023.

Leases receivable – The City has entered into multiple lease agreements for land and cell sites as lessor. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement, the City initially measured the lease receivable at the present value of payments expected to be received during the remaining lease term. The lease rate, term and ending lease receivables at September 30, 2023 are as follows:

	Interest Rates	Lease Term in Years	Ending Balance
General Fund:			
Land	4.20%	20-50	\$ 6,767,591
Cell sites	4.20%	30	829,753
			<u>\$ 7,597,344</u>
Water and Sewer Fund:			
Cell sites	4.20%	30	<u>\$ 2,736,171</u>
Nonmajor Funds:			
Land	4.20%	114	<u>\$ 1,480,224</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2023 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 168,925,089	\$ 2,113,407	\$ -	\$ 171,038,496
Construction in progress	62,791,148	127,902,499	(100,236,071)	90,457,576
Public art	1,845,827	-	-	1,845,827
Total capital assets, not being depreciated	233,562,064	130,015,906	(100,236,071)	263,341,899
Capital assets, being depreciated/amortized:				
Buildings	344,998,212	12,655,025	(35,000)	357,618,237
Right-to-use leased buildings	805,551	562,183	(45,409)	1,322,325
Improvements other than buildings	352,961,417	7,360,410	-	360,321,827
Equipment	261,247,144	35,158,403	(11,706,331)	284,699,216
Right-to-use leased equipment	4,140,066	2,240,919	(424,715)	5,956,270
Right-to-use subscription assets	-	6,885,635	-	6,885,635
Infrastructure	1,484,460,425	82,404,338	-	1,566,864,763
Total capital assets, being depreciated/amortized	2,448,612,815	147,266,913	(12,211,455)	2,583,668,273
Less accumulated depreciation/amortization for:				
Buildings	(190,445,146)	(13,487,032)	31,053	(203,901,125)
Right-to-use leased buildings	(194,407)	(221,071)	25,034	(390,444)
Improvements other than buildings	(143,472,201)	(9,865,392)	-	(153,337,593)
Equipment	(206,263,473)	(18,418,309)	10,831,619	(213,850,163)
Right-to-use leased equipment	(498,064)	(1,406,151)	424,715	(1,479,500)
Right-to-use subscription assets	-	(567,341)	-	(567,341)
Infrastructure	(754,944,732)	(36,368,405)	-	(791,313,137)
Total accumulated depreciation/amortization	(1,295,818,023)	(80,333,701)	11,312,421	(1,364,839,303)
Total capital assets, being depreciated/amortized, net	1,152,794,792	66,933,212	(899,034)	1,218,828,970
Governmental Activities capital assets, net	\$1,386,356,856	\$ 196,949,118	\$ (101,135,105)	\$ 1,482,170,869
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,023,315	\$ 34,956	\$ -	\$ 8,058,271
Construction in progress	26,875,971	16,780,585	-	43,656,556
Public art	50,000	-	-	50,000
Total capital assets, not being depreciated	34,949,286	16,815,541	-	51,764,827
Capital assets, being depreciated/amortized:				
Buildings	17,652,197	-	-	17,652,197
Right-to-use leased buildings	880,001	105,353	-	985,354
Improvements other than buildings	741,913,768	16,842,809	-	758,756,577
Drainage improvements	56,019,607	6,582,740	-	62,602,347
Equipment	2,473,311	-	-	2,473,311
Right-to-use leased equipment	59,760	-	-	59,760
Total capital assets, being depreciated/amortized	818,998,644	23,530,902	-	842,529,546
Less accumulated depreciation/amortization for:				
Buildings	(16,247,052)	(131,378)	-	(16,378,430)
Right-to-use leased buildings	(162,462)	(173,584)	-	(336,046)
Improvements other than buildings	(366,425,289)	(18,287,639)	-	(384,712,928)
Drainage improvements	(14,422,150)	(1,186,219)	-	(15,608,369)
Equipment	(1,766,491)	(101,047)	-	(1,867,538)
Right-to-use leased equipment	(14,940)	(14,940)	-	(29,880)
Total accumulated depreciation/amortization	(399,038,384)	(19,894,807)	-	(418,933,191)
Total capital assets, being depreciated/amortized, net	419,960,260	3,636,095	-	423,596,355
Business-type Activities capital assets, net	\$ 454,909,546	\$ 20,451,636	\$ -	\$ 475,361,182

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 15,849,112
Administrative services	22,655
Police	1,121,919
Fire	398,120
Libraries	562,145
Development	358,508
Public services and operations	136,599
Parks and recreation	10,053,966
Public works	36,757,597
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	15,073,080
Total depreciation/amortization expense - governmental activities	<u>\$ 80,333,701</u>
Business-type activities:	
Water and sewer	\$ 18,288,871
Sustainability and environmental services	63,130
Municipal drainage	1,188,866
Convention and tourism	237,874
Recreation revolving	116,066
Total depreciation/amortization expense - business-type activities	<u>\$ 19,894,807</u>

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF No. 2 Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,330,465	\$ 607,572	\$ -	\$ 1,938,037

Future expenditures for capital projects will be funded from federal and state grants, as well as, unexpended bond proceeds and additional General Obligation or Revenue bonds and operating revenues. In May 2021, \$363,965,000 of various purpose General Obligation bonds were authorized, of which \$147,305,000 has been issued.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

5. EMPLOYEE BENEFIT PLANS:

Summary of Significant Accounting Policies

For purposes of measuring the pension and OPEB net liabilities, deferred outflows and inflows of resources and expense, information about the fiduciary net position of TMRS, RSP and 115 Trust and additions to/deductions from Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, Plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A summary of the pension and OPEB net liabilities, deferred outflows and inflows of resources and expenses are below and discussed in further detail in this footnote.

	Pension		Total	OPEB
	TMRS	RSP	Pension	115 Trust
Net liability	\$ 182,022,748	\$ 14,351,454	\$ 196,374,202	\$ 22,335,120
Deferred outflow	132,938,974	31,532,321	164,471,295	26,860,256
Deferred inflow	2,265,387	2,841,462	5,106,849	15,462,476
Expense in current year	49,589,065	9,254,693	58,843,758	3,826,432

A. Texas Municipal Retirement System Plan (TMRS)

Plan Description

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Title 8, Subtitle G (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount, which, when added to the employee's accumulated

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated, with interest, if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions, with interest, and the employer-financed monetary credits, with interest, were used to purchase an annuity.

Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,616
Inactive employees entitled to but not yet receiving benefits	1,346
Active employees	<u>2,407</u>
	<u><u>5,369</u></u>

Contributions and Funding Policy

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching percentages are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The City's contribution rate requirement set by TMRS was 16.35% in calendar year 2022 and 16.60% for calendar year 2023. The City's actual contributions to TMRS were at 16.75% for fiscal year 2023, which provided for additional voluntary contributions. The City's contributions to TMRS for fiscal year 2023 were \$33,436,695.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.5% per year
Overall payroll growth:	2.75% per year, adjusted down for population declines, if any
Investment rate of return:	6.75%, net of pension plan investment expense, including inflation

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as, the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00 %	7.70 %
Core Fixed Income	6.00	4.90
Non-core Fixed Income	20.00	8.70
Other Public and Private Markets	12.00	8.10
Real Estate	12.00	5.80
Hedge Funds	5.00	6.90
Private Equity	10.00	11.80
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2021	\$ 1,266,665,282	\$ 1,273,328,428	\$ (6,663,146)
Changes for the year:			
Service cost	35,453,512	-	35,453,512
Interest (on the total pension liability)	84,911,516	-	84,911,516
Difference between expected and actual experience	20,900,686	-	20,900,686
Benefit payments, including refunds of employee contributions	(52,887,296)	(52,887,296)	-
Contributions - employer	-	32,013,956	(32,013,956)
Contributions - employee	-	13,378,709	(13,378,709)
Net investment loss	-	(92,968,318)	92,968,318
Administrative expense	-	(804,320)	804,320
Other	-	959,793	(959,793)
Net change	88,378,418	(100,307,476)	188,685,894
Balance at December 31, 2022	\$ 1,355,043,700	\$ 1,173,020,952	\$ 182,022,748

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as, what the City's NPL would be if it were calculated using a discount rate that is 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 367,839,898	\$ 182,022,748	\$ 28,866,776

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating city and may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$49,589,065.

At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 26,001,097	\$ (2,265,387)
Difference in assumption changes	445,671	-
Difference in projected and actual investment earnings	80,921,342	-
Employer contributions subsequent to the measurement date	25,570,864	-
	<u>\$ 132,938,974</u>	<u>\$ (2,265,387)</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Deferred outflows of resources of \$25,570,864 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year 2024. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2024	\$ 10,622,870
2025	26,461,516
2026	28,934,636
2027	<u>39,083,701</u>
Total	<u>\$ 105,102,723</u>

B. Retirement Security Plan (RSP)

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five or more, not to exceed seven, which meets a minimum of four times a year. Professional investment management and an investment consultant are used, and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Benefits Provided

As of the December 31, 2022 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,095
Inactive employees entitled to but not yet receiving benefits	126
Active employees	<u>2,242</u>
	<u>3,463</u>

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as follows.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

For normal retirement, the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

When lump-sum value is less than \$5,000, the benefit must be in form of a single lump-sum payment.

When lump-sum value is \$5,000 - \$25,000, participant has a choice of single lump-sum payment or monthly annuity payments.

When lump-sum value exceeds \$25,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Additionally, benefits are available for members who become totally and permanently disabled. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%), as determined by the Plan's actuary. This cost of living adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed \$6,929,246 for the year ended September 30, 2023.

The contribution amount is a 15-year level percentage of pay funding with a 2.75% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee and actuarial services, are charged to the plan.

Net Pension Liability

The City's NPL was measured as of December 31, 2022, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2022 using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	15 years as of the measurement date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75%, including inflation
Investment rate of return:	6.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	2019 Municipal Retirees of Texas mortality tables are used. Generational mortality improvements applied using the ultimate rates of Scale MP-2014.

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long- Term Arithmetic Return for Investment Portfolio
Domestic Equity	5.14%	40%	2.06%
International Equity	6.05%	20%	1.21%
Core Fixed Income	2.19%	20%	0.44%
Bank Loans	5.22%	5%	0.26%
Core Real Estate	3.25%	10%	0.33%
Private Infrastructure	5.02%	5%	0.25%
Cash Equivalents	0.98%	-	-
Total Expected Arithmetic Real Return:			4.55%
Inflation Assumption for Actuarial Valuation:			2.50%
Total Expected Arithmetic Nominal Return:			7.05%

Discount Rate

A single discount rate of 6.75% was used to measure the TPL for the measurement period ending December 31, 2022. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows as of each year ending December 31, the Plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the TPL.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP Committee will remain in effect for all future years. Under this funding policy, the City of Plano will finance the unfunded actuarial accrued liability as a level percentage of payroll. Beginning with the December 31, 2021 actuarial valuation, and each subsequent valuation, new amortization bases will be established and separately maintained and amortized over 15 years. If the net amortization cost is negative, or a credit, then the City's applicable contribution will not be less than the

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

normal cost less the expected earnings on the surplus of assets (determined as a percentage of covered payroll). An exception to this funding policy was made for the December 31, 2022 valuation such that the recommended contribution rate is equal to the total normal cost (no credit for the surplus on the actuarial value of assets) since the funded ratio on a market value of assets basis was less than 100%.

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2021	\$ 189,355,832	\$ 220,324,460	\$ (30,968,628)
Changes for the year:			
Service cost	5,476,527	-	5,476,527
Interest (on the total pension liability)	12,716,254	-	12,716,254
Difference between expected and actual experience	2,466,793	-	2,466,793
Assumption changes	(2,453,137)	-	(2,453,137)
Benefit payments	(7,410,301)	(7,410,301)	-
Contributions - employer	-	6,612,525	(6,612,525)
Net investment loss	-	(33,613,047)	33,613,047
Administrative expense	-	(113,123)	113,123
Net change	10,796,136	(34,523,946)	45,320,082
Balance at December 31, 2022	\$ 200,151,968	\$ 185,800,514	\$ 14,351,454

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate

The following presents the NPL of the City, as well as, what the City's NPL would be if it were calculated using a discount rate of 1-percentage point lower and 1-percentage point higher than the current discount rate.

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 42,886,389	\$ 14,351,454	\$ (9,163,143)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$9,254,693.

At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 2,578,989	\$ (788,739)
Difference in assumption changes	3,336,401	(2,052,723)
Difference in projected and actual investment earnings	20,276,384	-
Employer contributions subsequent to the measurement date	5,340,547	-
	\$ 31,532,321	\$ (2,841,462)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Deferred outflows of resources of \$5,340,547 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the NPL for fiscal year 2024. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2024	\$	1,325,710
2025		4,878,719
2026		7,326,253
2027		9,780,133
2028		39,215
Thereafter		282
Total	\$	<u>23,350,312</u>

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

D. Section 115 Post-Employment Benefits Trust (115 Trust)

Plan Description

The 115 Trust (the Plan) was established on March 1, 2008 to comply with the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for the purpose of funding and providing certain benefits to its eligible retirees and dependents, such as medical, dental and vision insurance benefits. It is a single-employer, defined benefit OPEB plan.

The 115 Trust was created by City ordinance and is administered by the Risk Pool Trustees (the Trustees) who meet at least four times a year. The Trustees consist of five City employees, including three City Deputy Managers, Director of Finance and Director of Human Resources, who are appointed by the City through the City Manager pursuant to the City of Plano Welfare Benefit Plan. The Trustees oversee the Plan and set policies for operations, including appointing management and directing investment decisions. Professional investment management and an investment consultant are used and a custodial bank retains the assets. Pursuant to Section 6.01 of the Welfare Benefit Plan and Resolution 2007-9-2(R), City Council has set forth delegation to the City Manager, or his designee, the authority to amend each Plan in any and all respects, except for any amendment that would materially increase the costs of the Plan to the City.

The 115 Trust issues a separate publicly available financial report that includes financial statements and required supplementary information at the 115 Trust's fiscal year-end, which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Benefits Provided

The City offers its retired employees and their dependents under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2023 was 581 of which 289 were on the same plan as the active employees and 292 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees' report claims. Claims paid for retired employees for 2023 were \$6,492,233.

As of December 31, 2022, the following were covered by the benefit terms:

Retirees and dependents currently receiving benefits	384
Terminated members entitled to benefits, but not yet receiving them	149
Active members	<u>2,236</u>
	<u><u>2,769</u></u>

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions. The City transfers retiree and City contributions to the 115 Trust on a monthly basis. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. Retirees and their dependents currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Monthly retiree premiums contributed to the Plan are based on the benefit election of the Plan member and are as follows:

	Medical Plan	Dental Plan	Vision Plan
Retiree only	\$ 538.00	\$ 45.00	\$ 9.22
Retiree and spouse	1,392.00	88.00	14.75
Retiree and children	994.00	108.00	15.09
Retiree and family	2,006.00	164.00	24.28
Spouse only	854.00	45.00	9.22
Children only	456.00	63.00	9.22
Spouse and children only	1,468.00	119.00	15.06

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2021.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2021.

As of December 31, 2022:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, Closed
Remaining amortization period:	14 years, as of the valuation date
Amortization growth rate:	2.75%
Asset valuation method:	Fair Value
Inflation:	2.50%
Salary increases:	2.75%
Discount rate:	6.75%
Healthcare cost trend rates:	5.50% for 2021, decreasing to an ultimate rate of 3.90% for 2072 and beyond.
Dental cost trend rates:	4.00% for 2021, decreasing to an ultimate rate of 3.90% for 2072 and beyond.
Retirement:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

Rate of Return

The long-term rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2022.

<u>Asset Classification</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Core Fixed Income	Bloomberg Barclays Aggregate	25.00%	2.27%	2.13%
US Equity Market	Russell 3000	37.00%	5.76%	4.10%
Non-US Equity	MSCI ACWI Ex US NR	23.00%	7.65%	5.81%
Core Real Estate	NCREIF Property	5.00%	4.86%	3.70%
Bank Loans	Credit Suisse Leveraged Loan	5.00%	3.79%	3.43%
Diversified Inflation Strategies	Bloomberg US Corporate Baa	5.00%	3.35%	3.07%
Assumed Inflation - Mean			2.33%	2.33%
Assumed Inflation - Standard Deviation			1.41%	
Portfolio Real Mean Return			5.06%	4.34%
Portfolio Nominal Mean Return			7.39%	6.80%
Portfolio Standard Deviation			11.51%	
Long-Term Expected Rate of Return			6.75%	

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Discount Rate

A single discount rate of 6.75% was used to measure the total OPEB liability. Based on the stated assumptions and the projection of cash flows as of each Plan year, the OPEB plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB (Asset)/Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset)/Liability (a) - (b)
Balance at December 31, 2021	\$ 124,806,051	\$ 130,496,245	\$ (5,690,194)
Changes for the year:			
Service cost	3,948,389	-	3,948,389
Interest on total OPEB liability	8,505,387	-	8,505,387
Benefit payments, net of retiree contributions	(5,588,671)	(5,588,671)	-
Employer contributions	-	4,272,033	(4,272,033)
Net investment loss	-	(19,815,321)	19,815,321
Administrative expenses	-	(28,250)	28,250
Net change	6,865,105	(21,160,209)	28,025,314
Balance at December 31, 2022	\$ 131,671,156	\$ 109,336,036	\$ 22,335,120

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as, what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current discount rate.

1% Decrease 5.75%	Current Discout Rate 6.75%	1% Increase 7.75%
\$ 35,041,852	\$ 22,335,120	\$ 11,182,342

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as, what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate.

1% Decrease	Current Trend Rate	1% Increase
\$ 13,898,790	\$ 22,335,120	\$ 32,179,852

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$3,826,432. At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 3,279,708	\$ (10,139,255)
Difference in assumption changes	6,959,864	(5,323,221)
Difference in projected and actual investment earnings	12,950,868	-
Employer contributions subsequent to the measurement date	3,669,816	-
	<u>\$ 26,860,256</u>	<u>\$ (15,462,476)</u>

Deferred outflows of resources of \$3,669,816 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for fiscal year 2024. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense in the following fiscal years:

2024	\$ (1,869,416)
2025	947,343
2026	3,301,702
2027	5,640,002
2028	<u>(291,667)</u>
Total	<u>\$ 7,727,964</u>

6. CUSTODIAL UNITS:

To develop and revitalize the Collin Creek Mall area, the developer plans include 400,000 square feet of retail space, as well as, an assortment of restaurants and entertainment destinations. The creation of the PID and TIRZ units will be the vehicles to facilitate these funds held in trust. The following entities are accounted for as custodial units.

As part of the Collin Creek Mall Redevelopment Project, the developer plans to develop 99-acres of real property and the TIRZ No. 4 revenue stream from the assessment will be used for projects benefiting the zone. On August 9, 2021, City Council approved an agreement to consider the sale of the TIRZ No. 4 increment generated from the project's 99-acres. On September 13, 2021, the TIRZ No. 4 assignment of the 99-acres' increment was approved via a purchase and sale between the City and ORIX Public Finance, LLC in the amount of \$38,500,000.

The Collin Creek East PID was created on January 13, 2020, which boundaries were expanded on February 8, 2021. The Collin Creek West PID was approved on February 8, 2021. The Collin Creek East and West PIDs contain approximately 60 acres and 39 acres, respectively. The funding of this development is through PID bonds, developer cash contributions, TIRZ revenue stream and land acquisition by the City, all of which will reside in a trust. The City authorized the issuance of PID bonds to construct, reimburse or acquire the public improvements within the districts, including a garage. The amount of Collin Creek East and West PID bonds issued are \$32,761,000 and \$14,687,000, respectively.

These bonds are issued by the City pursuant to the Public Improvements District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, an ordinance adopted by the City on August

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

23, 2021, and an Indenture of Trust, dated as of September 1, 2021, by and between the City and the Trustee.

Proceeds of the bonds will be used to provide funds for (i) paying a portion of the actual costs of the PID improvements in the Collin Creek East and West districts, (ii) paying interest on the bonds during and after the period of acquisition and construction of the public improvements, (iii) funding the reserve account of the reserve fund, (iv) paying district formation costs and (v) paying bond issuance costs.

The bonds are special obligations of the City payable solely from the pledged revenues and other funds comprising the trust estate, as and to the extent provided in the indenture. The bonds do not give rise to a charge against the general credit or taxing power of the City and are payable solely from the sources identified in the indenture.

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
2021 Collin Creek East PID	4.375	9/1/2021	12/31/2051	\$ 32,761,000	\$ -	\$ 32,761,000
2021 Collin Creek West PID	4.000	9/1/2021	12/31/2051	14,687,000	(266,000)	14,421,000
				<u>\$ 47,448,000</u>	<u>\$ (266,000)</u>	<u>\$ 47,182,000</u>

The difference in the bond holder liability of the custodial funds, reported in the basic financial statements compared to the table above, is attributed to the underwriter's discount for the PID East and PID West bonds of \$982,830 and \$440,610, respectively. The PID West bonds were also issued at a premium of \$181,384.

7. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2023, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 516,470	\$ 97,490	\$ (60,280)	\$ 553,680	\$ 36,530
Tax anticipation notes	2,460	8,405	(3,560)	7,305	1,075
Deferred amounts:					
Premium	34,276	11,378	(6,855)	38,799	7,127
Total bonds and notes payable	553,206	117,273	(70,695)	599,784	44,732
Compensated absences	50,721	20,383	(19,479)	51,625	6,064
Leases payable	4,274	2,803	(1,603)	5,474	1,663
Subscription liabilities	-	6,886	(985)	5,901	757
Liability for insurance claims	8,601	45,684	(44,831)	9,454	9,454
Net pension liability	-	175,722	-	175,722	-
Net other postemployment benefits liability	-	19,309	-	19,309	-
Governmental Activities Long-term debt	<u>\$ 616,802</u>	<u>\$ 388,060</u>	<u>\$ (137,593)</u>	<u>\$ 867,269</u>	<u>\$ 62,670</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Water and Sewer revenue bonds	\$ 36,385	\$ -	\$ (3,020)	\$ 33,365	\$ 3,165
Municipal Drainage revenue bonds	53,295	-	(1,955)	51,340	2,030
Deferred amounts:					
Premium	9,726	-	(611)	9,115	726
Total bonds payable	99,406	-	(5,586)	93,820	5,921
Compensated absences	4,562	1,765	(2,001)	4,326	756
Leases payable	782	105	(171)	716	183
Net pension liability	-	20,652	-	20,652	-
Net other postemployment benefits liability	-	3,027	-	3,027	-
Business-type Activities Long-term debt	\$ 104,750	\$ 25,549	\$ (7,758)	\$ 122,541	\$ 6,860

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 98.9% has been paid by the General Fund, 0.5% by special revenue funds and 0.6% by internal service funds.

Pension and OPEB liabilities for governmental-type funds are recorded at the government-wide statement level and are primarily liquidated in the General Fund. Liabilities for the proprietary type activities are recorded and liquidated in the fund that incurs the liability.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 86.0% of the claims and judgments liability. The enterprise funds bear approximately 10.2% of the claims and judgment liability, while the internal service and special revenue funds bear approximately 3.7% and 0.1%, respectively.

Long-term debt at September 30, 2023 includes the following individual issues (not including the unamortized premium of \$38,799,007 and the unamortized deferred charge on refunding of \$990,434 of the General Obligation bonds, the unamortized premium of \$4,121,091 and unamortized deferred charges of \$104,883 of the Municipal Drainage Revenue bonds and the unamortized premium of \$4,993,983 of the Water and Sewer Revenue bonds).

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2013 Refunding and Improvements	2.00 - 5.00	2/15/2013	9/1/2033	\$ 61,925,000	\$ 61,925,000	\$ -
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	16,415,000	12,910,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	49,860,000	25,825,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	24,670,000	42,525,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	9,575,000	31,715,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	10,560,000	17,245,000
2018 Improvements	3.00 - 5.00	4/15/2018	9/1/2038	77,915,000	13,215,000	64,700,000
2019 Refunding and Improvements	3.00 - 5.00	4/1/2019	9/1/2039	63,420,000	9,645,000	53,775,000
2020 Refunding and Improvements	3.00 - 4.00	4/1/2020	9/1/2040	74,635,000	9,145,000	65,490,000
2021 Refunding and Improvements	2.00 - 5.00	5/1/2021	9/1/2041	74,085,000	6,725,000	67,360,000
2022 Improvements	4.00 - 5.00	5/1/2022	9/1/2042	76,450,000	1,805,000	74,645,000
2023 Refunding and Improvements	4.00 - 5.00	4/15/2023	9/1/2043	97,490,000	-	97,490,000
				<u>\$ 767,220,000</u>	<u>\$ 213,540,000</u>	<u>\$ 553,680,000</u>
Tax Anticipation Notes:						
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	\$ 13,450,000	\$ 13,450,000	\$ -
2023 Tax anticipation notes	5.00	4/15/2023	9/1/2029	8,405,000	1,100,000	7,305,000
				<u>\$ 21,855,000</u>	<u>\$ 14,550,000</u>	<u>\$ 7,305,000</u>
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	\$ 24,775,000	\$ 6,515,000	\$ 18,260,000
2018 Improvements	3.00 - 5.00	4/15/2018	5/1/2028	11,350,000	5,015,000	6,335,000
2021 Improvements	4.00 - 5.00	5/1/2021	5/1/2031	10,605,000	1,835,000	8,770,000
				<u>\$ 46,730,000</u>	<u>\$ 13,365,000</u>	<u>\$ 33,365,000</u>
Municipal Drainage Revenue Bonds:						
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	\$ 7,105,000	\$ 5,945,000	\$ 1,160,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	2,535,000	5,500,000
2019 Refunding and Improvements	2.00 - 4.00	8/1/2019	5/15/2039	6,925,000	1,160,000	5,765,000
2021 Refunding and Improvements	2.00 - 5.00	5/1/2021	5/15/2061	40,590,000	1,675,000	38,915,000
				<u>\$ 62,655,000</u>	<u>\$ 11,315,000</u>	<u>\$ 51,340,000</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

The annual requirements to amortize debt outstanding as of September 30, 2023, including interest payments of \$216,276,217 follow (noted in thousands).

Year Ended September 30	General Obligation and Tax Anticipation Notes		Water and Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 37,605	\$ 22,619	\$ 3,165	\$ 1,427	\$ 2,030	\$ 1,675
2025	38,460	20,900	3,315	1,279	2,110	1,593
2026	37,515	19,102	3,470	1,123	1,955	1,502
2027	36,265	17,307	3,630	960	1,925	1,415
2028	35,480	15,662	3,795	801	1,915	1,329
2029-2033	165,685	56,335	10,900	2,244	8,840	5,419
2034-2038	142,655	26,283	5,090	412	9,080	3,692
2039-2043	67,320	5,907	-	-	5,835	2,621
2044-2048	-	-	-	-	4,125	2,070
2049-2053	-	-	-	-	4,675	1,522
2054-2058	-	-	-	-	5,315	890
2059-2061	-	-	-	-	3,535	187
Total	\$ 560,985	\$ 184,115	\$ 33,365	\$ 8,246	\$ 51,340	\$ 23,915

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$4,921,498 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various General Obligation bonds. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2023.

In June 2023, the City issued \$97,490,000 in General Obligation Refunding and Improvement bonds, with interest rates ranging from 4.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2013 General Obligation Refunding and Improvement bonds totaling \$33,065,000 with interest rates ranging from 3.0% to 5.0% and maturity dates of 2023 through 2033. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$1,133,439. In June 2023, the City also issued \$8,405,000 in Tax Anticipation Notes, with interest rates of 5.0%.

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2023, \$861,750 is in restricted net position of the Water and Sewer Fund for debt service requirements.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

Restricted assets of the Water and Sewer Fund at September 30, 2023 are as follows:

Cash and cash equivalents	\$	918,706
Investments		4,315,199
Accrued interest receivable		19,034
	\$	5,252,939

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2023, \$3,125,589 is in restricted net position of the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2023, the reserve required and in restricted net position of the Municipal Drainage Fund is \$1,980,406.

Restricted assets of the Municipal Drainage Fund at September 30, 2023 are as follows:

Cash and cash equivalents	\$	3,614,802
Investments		16,978,873
Accrued interest receivable		74,893
	\$	20,668,568

D. Leases Payable

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

The lease rate, term and ending lease liability are as follows (noted in thousands):

	Interest Rates %	Lease Term in Years	Ending Balance
Governmental activities:			
Buildings	4.20 - 5.00	3 - 100	\$ 955
Equipment	4.20 - 5.00	3 - 9	4,519
Total governmental activities			<u>\$ 5,474</u>
Business-type activities:			
Buildings	4.20	10	\$ 685
Equipment	4.20	10	31
Total business-type activities			<u>\$ 716</u>

The annual requirements to amortize leases payable outstanding as of September 30, 2023, including interest of \$1,405,947 follow (noted in thousands).

Year Ended September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,663	\$ 218	\$ 183	\$ 27
2025	1,508	147	195	19
2026	419	102	190	11
2027	315	86	148	3
2028	272	70	-	-
2029-2033	1,099	181	-	-
2034-2038	-	40	-	-
2039-2043	-	42	-	-
2044-2048	-	44	-	-
2049-2053	-	46	-	-
2054-2058	-	48	-	-
2059-2063	-	50	-	-
2064-2068	-	53	-	-
2069-2073	-	55	-	-
2074-2078	6	53	-	-
2079-2083	23	38	-	-
2084-2088	32	32	-	-
2089-2093	42	25	-	-
2094-2098	56	14	-	-
2099-2101	39	2	-	-
Total	<u>\$ 5,474</u>	<u>\$ 1,346</u>	<u>\$ 716</u>	<u>\$ 60</u>

E. Subscription-Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make scheduled payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. Effective October 1, 2022, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology*

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Arrangements. At implementation of this statement and the commencement of arrangement beginning after October 1, 2022, the City initially measured the subscription liabilities at the present value of payments expected to be made during the subscription term.

The SBITA rate, term and ending subscription liability are as follows:

	Interest Rates	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental activities:				
Subscription-based information technology arrangements	5.00%	\$ 6,886	3-10	\$ 5,901
Total governmental activities				<u>\$ 5,901</u>

The future principal and interest SBITA payments as of fiscal year end are as follows:

Year Ended September 30	Governmental Activities	
	Principal	Interest
2024	\$ 757	\$ 303
2025	820	264
2026	898	222
2027	611	175
2028	659	145
2029-2032	2,156	287
Total	<u>\$ 5,901</u>	<u>\$ 1,396</u>

8. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2023 is as follows:

	Due To Other Funds		Due From Other Funds		
			General	Grants	Total
General		\$ -	\$ 30,341	\$ 30,341	
Grants		1,337,810	-	1,337,810	
Convention and Tourism		144,700	-	144,700	
Internal Service		1,253,329	-	1,253,329	
Total		<u>\$ 2,735,839</u>	<u>\$ 30,341</u>	<u>\$ 2,766,180</u>	

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Sustainability and Environmental Services Funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2023, charges in lieu of taxes were \$14,505,365.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

Due to the current financial condition of the Sustainability and Environmental Services Fund, a loan of \$2.5 million was made from the Water and Sewer Fund to be paid back over seven years.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In								Total
	General	Capital Maintenance	Grants	Water and Sewer	Nonmajor Enterprise	Nonmajor Governmental	Blended Component Units	Internal Service	
General	\$ -	\$ 35,250,549	\$ 30,922	\$ 5,000,000	\$ 49,601	\$ 250,000	\$ 50,000	\$ 2,969,914	\$ 43,600,986
Water and Sewer	6,016,726	4,000,000	-	-	-	-	-	-	10,016,726
Municipal Drainage	1,148,662	500,000	-	-	-	-	-	-	1,648,662
Blended Component Units	8,650	-	-	-	-	-	45,000	-	53,650
Nonmajor Enterprise	1,296,713	1,500,000	-	-	-	-	-	-	2,796,713
Internal Service	-	-	-	-	-	250,000	-	-	250,000
Total	\$ 8,470,751	\$ 41,250,549	\$ 30,922	\$ 5,000,000	\$ 49,601	\$ 500,000	\$ 95,000	\$ 2,969,914	\$ 58,366,737

The City performs a cost allocation to determine the portion of indirect expenses that will be transferred by the respective business-type activities to the General Fund. The City funds the Capital Maintenance Fund by transferring amounts from other funds each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

9. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES:

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

- **Tax Abatements** - The City of Plano offers tax abatement on improvements to real and business personal property as directed under Chapter 312 of the Texas Tax Code. The abatements allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants with underlying goals to further economic development in Plano. Real Property abatements are offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement applies to the assessed value of the improvements made. Business Personal Property abatements are offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement applies to the assessed value of new personal property brought into the taxing jurisdiction. Property taxes abated under this program in fiscal year 2023 are \$5,098,145.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

- **Economic Development** - In 2006, a property tax increase of two-cents per \$100 valuation was approved by City Council that is dedicated to economic development. Chapter 380 of the Texas Local Government Code allows municipalities to establish and provide programs to promote state or local economic development and to stimulate business and commercial activity. The City's economic development program offers incentives to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements within the City. For fiscal year 2023, the City paid incentives of \$1,097,351.
- **Tax Rebates** – The City of Plano offers property tax rebates to real and business personal property, pursuant to Chapter 380 of the Texas Local Government Code, to promote local economic development and stimulate business and commercial activity in the City. The City paid out \$42,142 in tax rebates in fiscal year 2023.
- **Tax Increment Financing** - The City has TIF zones under Chapter 311 of the State of Texas Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are described in section I.B. of the footnotes. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City paid \$2,261,411 in TIF obligations in fiscal year 2023.

10. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District (District), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000-gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2023 was \$81,813,711.

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall counties. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a regional wastewater system for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system and repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2023 was \$43,373,195, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment to the District for the year ended September 30, 2023 was \$8,472,511.

11. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$122,658,338 in the capital projects funds, \$12,619,815 in the Water and Sewer Fund and \$15,462,501 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the capital projects funds, revenue bond proceeds in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

12. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Risk Management Fund has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund, which has an annually negotiated stop loss provision. Revenues are recognized from employee payroll deductions and from City contributions.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal years 2023 and 2022 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2023				
Property/Liability Loss	\$ 5,053,410	\$ 6,419,814	\$ (6,464,450)	\$ 5,008,774
Health Claims	3,547,980	39,264,009	(38,366,917)	4,445,072
Total	<u>\$ 8,601,390</u>	<u>\$ 45,683,823</u>	<u>\$ (44,831,367)</u>	<u>\$ 9,453,846</u>
2022				
Property/Liability Loss	\$ 5,379,968	\$ 5,113,138	\$ (5,439,696)	\$ 5,053,410
Health Claims	2,920,398	38,511,131	(37,883,549)	3,547,980
Total	<u>\$ 8,300,366</u>	<u>\$ 43,624,269</u>	<u>\$ (43,323,245)</u>	<u>\$ 8,601,390</u>

13. SUBSEQUENT EVENT:

In October 2023, City Council approved and authorized the issuance and sale of the City of Plano, Texas, Special Assessment Revenue Bonds, Series 2023, for purposes related to the Haggard Farm Public Improvement District Major Improvement Area Project and Public Improvement District Area #1 Project. The bonds are issued by the City pursuant to Chapter 372 of the Texas Local Government Code. The amount of Major Improvement Area Project and Area #1 Project bonds issued are \$16,458,000 and \$5,000,000, respectively, and settled November 20, 2023.

The purpose of the PID is to finance public infrastructure (via bond sales) that historically would be the responsibility of the developer. The bonds will be repaid using proportional levies on the private property within the PID. No City funds will be used to pay the bond holders.



REQUIRED SUPPLEMENTARY INFO.

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(UNAUDITED)

	Budgeted Amounts			Adjustments-	Actual on a	Variance with
	Original	Final	Actual	Budgetary	Budgetary	Final Budget -
				Basis	Basis	Positive
						(Negative)
REVENUES:						
Taxes:						
Property taxes	\$ 151,129,938	\$ 150,395,097	\$ 150,459,009	\$ (93,527)	\$ 150,365,482	\$ (29,615)
Sales taxes	100,624,485	114,450,005	114,235,913	-	114,235,913	(214,092)
Mixed drink taxes	2,596,708	2,779,234	2,819,115	-	2,819,115	39,881
Other taxes	361,386	291,806	286,528	-	286,528	(5,278)
Franchise fees	19,332,069	21,882,107	21,594,398	-	21,594,398	(287,709)
Fines and forfeitures	4,571,970	4,294,744	4,309,118	-	4,309,118	14,374
Licenses and permits	10,601,376	10,289,490	10,387,615	-	10,387,615	98,125
Intragovernmental	14,505,365	14,505,365	14,505,365	-	14,505,365	-
Intergovernmental	2,406,516	2,318,316	2,331,957	-	2,331,957	13,641
Charges for services	14,651,674	16,787,392	16,958,974	-	16,958,974	171,582
Investment income	1,000,000	2,500,000	3,610,722	(824,899)	2,785,823	285,823
Miscellaneous	1,787,628	1,945,403	1,979,065	-	1,979,065	33,662
Total revenues	323,569,115	342,438,959	343,477,779	(918,426)	342,559,353	120,394
EXPENDITURES:						
General government	20,988,635	17,118,820	35,598,255	174,707	35,772,962	(18,654,142)
Administrative services	14,043,206	13,929,692	13,339,342	133,328	13,472,670	457,022
Police	100,938,371	100,904,365	94,995,288	383,400	95,378,688	5,525,677
Fire	75,127,480	76,847,891	64,473,062	306,001	64,779,063	12,068,828
Libraries	14,265,697	15,087,215	14,712,379	345,865	15,058,244	28,971
Development	40,619,247	42,417,674	39,425,594	1,325,859	40,751,453	1,666,221
Public services and operations	7,882,917	8,330,316	8,202,046	56,409	8,258,455	71,861
Parks and recreation	32,510,364	32,924,495	31,911,843	77,696	31,989,539	934,956
Public works	9,347,127	9,101,411	9,020,804	80,083	9,100,887	524
Technology solutions	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	2,305,865	4,079,641	2,469,576	2,261,760	4,731,336	(651,695)
Debt service:						
Principal retirement on leases	-	-	492,276	-	492,276	(492,276)
Interest and fiscal charges on leases	-	-	48,137	-	48,137	(48,137)
Total expenditures	319,028,909	321,741,520	315,688,602	5,145,108	320,833,710	907,810
Excess (deficiency) of revenues over (under) expenditures	4,540,206	20,697,439	27,789,177	(6,063,534)	21,725,643	1,028,204
OTHER FINANCING SOURCES (USES):						
Leases issued	-	-	668,688	-	668,688	668,688
Transfers in	8,620,410	8,462,101	8,470,751	-	8,470,751	8,650
Transfers out	(41,500,549)	(43,000,549)	(43,600,986)	-	(43,600,986)	(600,437)
Total other financing sources (uses)	(32,880,139)	(34,538,448)	(34,461,547)	-	(34,461,547)	76,901
Net change in fund balance	(28,339,933)	(13,841,009)	(6,672,370)	(6,063,534)	(12,735,904)	1,105,105
FUND BALANCE, October 1	68,359,269	68,359,269	68,359,269	-	68,359,269	-
FUND BALANCE, September 30	\$ 40,019,336	\$ 54,518,260	\$ 61,686,899	\$ (6,063,534)	\$ 55,623,365	\$ 1,105,105

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(UNAUDITED)

	Net Change in Fund Balance
GAAP basis	\$ (6,672,370)
Revenues:	
Decrease due to rolled back taxes	(93,527)
Decrease due to GASB Statement	
No.31 market adjustment	(824,899)
Expenditures:	
Increase due to encumbrances	(5,145,108)
Budgetary basis	<u>\$ (12,735,904)</u>

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE YEARS
(UNAUDITED)

Fiscal year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 35,453,512	\$ 33,499,863	\$ 32,466,781	\$ 31,626,466	\$ 30,262,774	\$ 28,866,767	\$ 27,113,143	\$ 25,341,004	\$ 22,556,087
Interest (on the total pension liability)	84,911,516	79,592,577	75,778,584	71,666,069	67,704,728	64,180,007	60,407,716	59,290,515	55,667,118
Difference between expected and actual experience	20,900,686	15,902,679	(4,677,159)	(1,524,064)	193,289	(4,550,911)	950,930	(6,117,445)	(122,591)
Change of assumptions	-	-	-	1,969,335	-	-	-	(685,185)	-
Benefit payments, including refunds of employee contributions	(52,887,296)	(49,458,379)	(45,703,919)	(40,759,727)	(39,552,473)	(34,399,087)	(32,526,510)	(29,059,878)	(26,400,655)
Net change in total pension liability	88,378,418	79,536,740	57,864,287	62,978,079	58,608,318	54,096,776	55,945,279	48,769,011	51,699,959
Total pension liability - beginning	1,266,665,282	1,187,128,542	1,129,264,255	1,066,286,176	1,007,677,858	953,581,082	897,635,803	848,866,792	797,166,833
Total pension liability - ending (a)	1,355,043,700	1,266,665,282	1,187,128,542	1,129,264,255	1,066,286,176	1,007,677,858	953,581,082	897,635,803	848,866,792
Plan fiduciary net position									
Contributions - employer	32,013,956	31,077,671	30,213,790	30,578,118	29,233,234	28,535,854	26,761,281	25,429,543	28,690,370
Contributions - employee	13,378,709	12,641,458	12,289,329	12,087,312	11,556,306	11,029,878	10,345,977	9,831,426	9,684,277
Net investment income (loss)	(92,968,318)	147,638,938	80,158,056	141,253,119	(28,192,692)	114,003,401	51,816,415	1,121,428	40,500,200
Benefit payments, including refunds of employee contributions	(52,887,296)	(49,458,379)	(45,703,919)	(40,759,727)	(39,552,473)	(34,399,087)	(32,526,510)	(29,059,878)	(26,400,655)
Administrative expense	(804,320)	(682,877)	(518,522)	(797,858)	(544,700)	(590,653)	(585,071)	(683,011)	(422,815)
Other	959,793	4,676	(20,231)	(23,967)	(28,458)	(29,932)	(31,522)	(33,734)	(34,762)
Net change in plan fiduciary net position	(100,307,476)	141,221,487	76,418,503	142,336,997	(27,528,783)	118,549,461	55,780,570	6,605,774	52,016,615
Plan fiduciary net position - beginning	1,273,328,428	1,132,106,941	1,055,688,438	913,351,441	940,880,224	822,330,763	766,550,193	759,944,419	707,927,804
Plan fiduciary net position - ending (b)	1,173,020,952	1,273,328,428	1,132,106,941	1,055,688,438	913,351,441	940,880,224	822,330,763	766,550,193	759,944,419
Net pension (asset)/liability (a) - (b)	\$ 182,022,748	\$ (6,663,146)	\$ 55,021,601	\$ 73,575,817	\$ 152,934,735	\$ 66,797,634	\$ 131,250,319	\$ 131,085,610	\$ 88,922,373
Plan fiduciary net position as a percentage of the total pension liability	86.57%	100.53%	95.37%	93.48%	85.66%	93.37%	86.24%	85.40%	89.52%
Covered payroll	\$ 191,124,052	\$ 180,592,252	\$ 175,496,112	\$ 172,539,364	\$ 165,009,673	\$ 157,569,687	\$ 147,755,548	\$ 140,393,376	\$ 138,229,574
Net pension (asset)/liability as a percentage of covered payroll	95.24%	(3.69)%	31.35%	42.64%	92.68%	42.39%	88.83%	93.37%	64.33%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST NINE YEARS
(UNAUDITED)

For year ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 33,137,262	\$ 33,436,695	\$ (299,433)	\$ 199,622,057	16.75%
2022	31,582,175	31,784,103	(201,928)	188,550,301	16.86%
2021	30,844,427	31,809,437	(965,010)	184,831,171	17.21%
2020	29,310,064	30,463,893	(1,153,829)	175,520,827	17.36%
2019	28,822,800	30,304,772	(1,481,972)	171,116,724	17.71%
2018	28,117,546	28,953,620	(836,074)	162,477,475	17.82%
2017	26,897,936	28,071,915	(1,173,979)	155,007,834	18.11%
2016	25,652,983	26,360,550	(707,567)	145,557,931	18.11%
2015	25,302,110	28,302,110	(3,000,000)	138,720,040	20.40%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method: Entry age normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 23 years
Asset valuation method: 10 year smoothed market; 12% soft corridor
Inflation: 2.50%
Salary increases: 3.50% to 11.50% including inflation
Investment rate of return: 6.75%
Retirement age: Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality: Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SECURITY PLAN
SCHEDULE OF CHANGES IN NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS
LAST NINE YEARS
(UNAUDITED)

Fiscal year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 5,476,527	\$ 5,216,760	\$ 5,110,419	\$ 4,725,748	\$ 4,510,192	\$ 5,073,946	\$ 4,716,387	\$ 3,803,153	\$ 3,674,544
Interest (on the total pension liability)	12,716,254	11,987,174	11,314,548	10,611,657	9,976,825	9,960,603	9,240,119	8,412,933	7,802,936
Difference between expected and actual experience	2,466,793	559,364	-	325,133	-	(3,005,892)	-	(1,059,691)	-
Assumption changes	(2,453,137)	-	-	6,187,338	-	2,989,199	-	7,094,524	-
Benefit payments	(7,410,301)	(6,773,708)	(6,252,909)	(5,775,825)	(5,275,730)	(4,760,146)	(4,297,533)	(3,822,305)	(3,518,902)
Net change in total pension liability	10,796,136	10,989,590	10,172,058	16,074,051	9,211,287	10,257,710	9,658,973	14,428,614	7,958,578
Total pension liability - beginning	189,355,832	178,366,242	168,194,184	152,120,133	142,908,846	132,651,136	122,992,163	108,563,549	100,604,971
Total pension liability - ending (a)	200,151,968	189,355,832	178,366,242	168,194,184	152,120,133	142,908,846	132,651,136	122,992,163	108,563,549
Plan fiduciary net position									
Employer contributions	6,612,525	6,318,436	5,745,254	5,664,638	5,406,257	5,159,461	4,133,463	3,959,196	4,037,995
Pension plan investment income (loss)	(33,613,047)	28,427,222	25,238,831	27,982,706	(8,633,093)	21,781,774	6,276,782	2,076,698	8,012,049
Benefit payments	(7,410,301)	(6,773,708)	(6,252,909)	(5,775,825)	(5,275,730)	(4,760,146)	(4,297,533)	(3,822,305)	(3,518,902)
Pension plan administrative expenses	(113,123)	(50,473)	(83,295)	(48,584)	(81,574)	(363,144)	(336,043)	(327,528)	(278,376)
Other	-	-	-	-	-	-	-	-	(22,051)
Net change in plan fiduciary net position	(34,523,946)	27,921,477	24,647,881	27,822,935	(8,584,140)	21,817,945	5,776,669	1,886,061	8,230,715
Plan fiduciary net position - beginning	220,324,460	192,402,983	167,755,102	139,932,167	148,516,307	126,698,362	120,921,693	119,035,632	110,804,917
Plan fiduciary net position - ending (b)	185,800,514	220,324,460	192,402,983	167,755,102	139,932,167	148,516,307	126,698,362	120,921,693	119,035,632
Net pension (asset)/liability - ending (a) - (b)	\$ 14,351,454	\$ (30,968,628)	\$ (14,036,741)	\$ 439,082	\$ 12,187,966	\$ (5,607,461)	\$ 5,952,774	\$ 2,070,470	\$ (10,472,083)
Plan fiduciary net position as a percentage of total pension liability	92.83%	116.35%	107.87%	99.74%	91.99%	103.92%	95.51%	98.32%	109.65%
Covered payroll	\$ 169,551,923	\$ 162,011,179	\$ 158,708,674	\$ 156,481,717	\$ 149,344,120	\$ 142,526,560	\$ 132,482,794	\$ 130,412,851	\$ 117,023,684
Net pension (asset)/liability as a percentage of covered payroll	8.46%	(19.12)%	(8.84)%	0.28%	8.16%	(3.93)%	4.49%	1.59%	(8.95)%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**RETIREMENT SECURITY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST NINE YEARS
(UNAUDITED)**

For year ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 6,929,246	\$ 6,929,246	\$ -	\$ 177,672,977	3.90%
2022	6,533,924	6,533,924	-	167,536,555	3.90%
2021	6,358,994	6,358,994	-	166,054,205	3.83%
2020	5,758,065	5,758,065	-	159,062,559	3.62%
2019	5,601,861	5,601,861	-	154,747,546	3.62%
2018	5,339,710	5,339,710	-	147,505,817	3.62%
2017	4,880,321	4,880,321	-	139,928,684	3.49%
2016	4,081,765	4,081,765	-	130,825,766	3.12%
2015	3,908,790	3,908,790	-	125,281,726	3.12%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Notes Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date. Effective December 31, 2022, valuations are performed annually, with the same one-year contribution delay.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	15 years as of the measurement date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75%, including inflation
Investment rate of return:	6.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	2019 Municipal Retirees of Texas mortality tables are used. Generational mortality improvements applied using the ultimate rates of Scale MP-2014.

SECTION 115 POST-EMPLOYMENT BENEFITS TRUST
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX YEARS
(UNAUDITED)

Fiscal year ending December 31,	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 3,948,389	\$ 3,512,754	\$ 3,512,754	\$ 2,929,725	\$ 2,631,776	\$ 2,631,472
Interest on total OPEB liability	8,505,387	8,296,379	7,600,903	6,961,454	6,401,106	7,587,712
Effect of economic/demographic gains or losses	-	(13,844,749)	-	6,923,828	-	(1,889,319)
Effect of assumptions changes or inputs	-	10,053,138	-	(495,595)	-	(17,339,980)
Benefit payments, net of retiree contributions	<u>(5,588,671)</u>	<u>(5,132,293)</u>	<u>(3,597,582)</u>	<u>(4,052,790)</u>	<u>(3,396,639)</u>	<u>(2,505,768)</u>
Net change in total OPEB liability	6,865,105	2,885,229	7,516,075	12,266,622	5,636,243	(11,515,883)
Total OPEB liability - beginning	<u>124,806,051</u>	<u>121,920,822</u>	<u>114,404,747</u>	<u>102,138,125</u>	<u>96,501,882</u>	<u>108,017,765</u>
Total OPEB liability - ending (a)	<u>131,671,156</u>	<u>124,806,051</u>	<u>121,920,822</u>	<u>114,404,747</u>	<u>102,138,125</u>	<u>96,501,882</u>
Plan fiduciary net position						
Employer contributions	4,272,033	4,327,093	4,344,778	4,792,867	4,834,363	5,585,470
Net investment income (loss)	(19,815,321)	15,596,951	12,934,745	19,624,624	(4,140,078)	11,242,528
Benefit payments, net of retiree contributions	(5,588,671)	(5,132,293)	(3,597,582)	(4,052,790)	(3,396,639)	(2,505,768)
Administrative expenses	<u>(28,250)</u>	<u>(27,453)</u>	<u>(27,250)</u>	<u>(19,124)</u>	<u>(36,227)</u>	<u>(10,951)</u>
Net change in plan fiduciary net position	(21,160,209)	14,764,298	13,654,691	20,345,577	(2,738,581)	14,311,279
Plan fiduciary net position - beginning	<u>130,496,245</u>	<u>115,731,947</u>	<u>102,077,256</u>	<u>81,731,679</u>	<u>84,470,260</u>	<u>70,158,981</u>
Plan fiduciary net position - ending (b)	<u>109,336,036</u>	<u>130,496,245</u>	<u>115,731,947</u>	<u>102,077,256</u>	<u>81,731,679</u>	<u>84,470,260</u>
Net OPEB (asset)/liability - ending (a) - (b)	<u>\$ 22,335,120</u>	<u>\$ (5,690,194)</u>	<u>\$ 6,188,875</u>	<u>\$ 12,327,491</u>	<u>\$ 20,406,446</u>	<u>\$ 12,031,622</u>
Plan fiduciary net position as a percentage of the total OPEB liability	83.04%	104.56%	94.92%	89.22%	80.02%	87.53%
Covered payroll	\$169,551,926	\$162,006,381	\$158,641,160	\$156,985,248	\$152,783,696	\$148,694,595
Net OPEB (asset)/liability as a percentage of covered payroll	13.17%	(3.51)%	3.90%	7.85%	13.36%	8.09%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

SECTION 115 POST-EMPLOYMENT BENEFITS TRUST
SCHEDULE OF CONTRIBUTIONS
LAST SIX YEARS
(UNAUDITED)

Fiscal year ending September 30,	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 6,488,078	\$ 3,692,978	\$ 4,291,299	\$ 4,510,751	\$ 4,451,343	\$ 3,774,139
Contributions in relation to the actuarially determined contribution	4,741,215	4,262,934	4,296,812	4,515,739	4,769,684	5,044,806
Contribution deficiency (excess)	\$ 1,746,863	\$ (569,956)	\$ (5,513)	\$ (4,988)	\$ (318,341)	\$ (1,270,667)
Covered payroll	\$177,672,977	\$ 167,536,555	\$ 166,054,205	\$ 159,062,559	\$ 154,747,546	\$ 147,505,817
Contributions as a percentage of covered payroll	2.67%	2.54%	2.59%	2.84%	3.08%	3.42%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Notes	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 16-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2019.
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, Closed
Remaining amortization period:	15 years, as of the valuation date
Amortization growth rate:	2.75%
Asset valuation method:	Market Value
Inflation:	2.50%
Salary increases:	2.75%
Discount rate:	6.75%
Healthcare cost trend rates:	5.50% for 2021, eventually decreasing to an ultimate rate of 3.90% for 2072 and beyond.
Dental cost trend rates:	4.00% for 2021, decreasing to an ultimate rate of 3.90% for 2072 and beyond.
Retirement:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.



COMBINING FINANCIAL STATEMENTS

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

PLANO TELEVISION FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS FUND – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT FUND – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from \$1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

DONATIONS FUND – to account for donations related to various programs within the City.

COMMUNITY PARAMEDIC PROGRAM FUND – to account for donations from local hospitals to increase the overall well-being of patients recently discharged from the hospital enabling paramedics to better assist Plano residents who frequently use the 9-1-1 system.

OPIOID SETTLEMENT FUND – to account for monies received from the Texas Comptroller of Public Accounts in an effort to address the opioid crisis across the state of Texas. These funds are acquired by statewide opioid settlement agreements and dispersed by the Texas Opioid Abatement Fund Council.

BLENDED COMPONENT UNITS:

DOWNTOWN PLANO PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

HAGGARD FARM PUBLIC IMPROVEMENT DISTRICT – organized to provide a method to finance infrastructure and development for the area historically known as Haggard Farm.

CAPITAL PROJECTS FUNDS:

The capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other government.

The City's nonmajor capital projects funds are as follows:

PUBLIC INFRASTRUCTURE FUND – to account for improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.

PARK SERVICES FUND – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.



CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023

	Special Revenue			
	Criminal Investigation	Plano Television	Public Safety Communications	Municipal Court
ASSETS				
Cash and cash equivalents	\$ 710,479	\$ 338,966	\$ 3,924,888	\$ 2,256,628
Investments	3,337,145	1,592,139	18,435,346	10,599,473
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Accrued interest	14,720	7,023	81,317	46,753
Due from other governments	18,681	-	501,127	90,458
Prepaid items and other assets	-	-	388,585	-
Total assets	<u>\$ 4,081,025</u>	<u>\$ 1,938,128</u>	<u>\$ 23,331,263</u>	<u>\$ 12,993,312</u>
LIABILITIES				
Accounts payable	\$ 16,657	\$ 93,982	\$ 990,414	\$ 23,563
Accrued liabilities	112,931	8,689	-	3,544
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
Total liabilities	<u>129,588</u>	<u>102,671</u>	<u>990,414</u>	<u>27,107</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>18,681</u>	<u>-</u>	<u>255,329</u>	<u>-</u>
FUND BALANCES				
Prepaid items and other assets	-	-	388,585	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue	3,932,756	1,835,457	21,696,935	12,966,205
Blended component unit	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Total fund balances	<u>3,932,756</u>	<u>1,835,457</u>	<u>22,085,520</u>	<u>12,966,205</u>
Total liabilities and fund balance	<u>\$ 4,081,025</u>	<u>\$ 1,938,128</u>	<u>\$ 23,331,263</u>	<u>\$ 12,993,312</u>

Special Revenue

Memorial Library	Seized Assets	Donations	Community Paramedic Program	Opioid Settlement
\$ 75,270	\$ 9,351	\$ 108,945	\$ 16,698	\$ 56,820
353,544	43,921	511,721	78,429	268,062
-	-	-	-	-
1,559	194	2,257	346	-
-	-	-	-	-
355	-	-	-	-
<u>\$ 430,728</u>	<u>\$ 53,466</u>	<u>\$ 622,923</u>	<u>\$ 95,473</u>	<u>\$ 324,882</u>
\$ 1,389	\$ -	\$ 3,811	\$ -	\$ -
-	-	-	2,963	-
-	-	-	-	-
-	-	-	-	-
-	53,466	-	-	-
<u>1,389</u>	<u>53,466</u>	<u>3,811</u>	<u>2,963</u>	<u>-</u>
-	-	-	-	-
355	-	-	-	-
-	-	-	-	-
428,984	-	619,112	92,510	324,882
-	-	-	-	-
-	-	-	-	-
<u>429,339</u>	<u>-</u>	<u>619,112</u>	<u>92,510</u>	<u>324,882</u>
<u>\$ 430,728</u>	<u>\$ 53,466</u>	<u>\$ 622,923</u>	<u>\$ 95,473</u>	<u>\$ 324,882</u>

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023
(continued)

	Blended Component Units		
	Downtown Plano Public Improvement District	Plano Improvement Corporation	Haggard Farm Public Improvement District
ASSETS			
Cash and cash equivalents	\$ 116,189	\$ 3,768	\$ 3,778
Investments	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	428	-	-
Accrued interest	-	-	-
Due from other governments	-	-	-
Prepaid items and other assets	-	-	-
Total assets	<u>\$ 116,617</u>	<u>\$ 3,768</u>	<u>\$ 3,778</u>
LIABILITIES			
Accounts payable	\$ 2,932	\$ 3,768	\$ -
Accrued liabilities	-	-	-
Contracts payable	-	-	-
Retainage payable	-	-	-
Seized assets payable	-	-	-
Total liabilities	<u>2,932</u>	<u>3,768</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES			
Prepaid items and other assets	-	-	-
Restricted for:			
Capital projects	-	-	-
Special revenue	-	-	-
Blended component unit	113,685	-	3,778
Assigned to:			
Capital projects	-	-	-
Total fund balances	<u>113,685</u>	<u>-</u>	<u>3,778</u>
Total liabilities and fund balance	<u>\$ 116,617</u>	<u>\$ 3,768</u>	<u>\$ 3,778</u>

Capital Projects		
Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
\$ 454,715	\$ 1,625,422	\$ 9,701,917
2,135,815	7,634,668	44,990,263
-	-	428
9,421	33,676	197,266
-	-	610,266
-	-	388,940
<u>\$ 2,599,951</u>	<u>\$ 9,293,766</u>	<u>\$ 55,889,080</u>
\$ -	\$ -	\$ 1,136,516
-	-	128,127
-	93,036	93,036
-	24,645	24,645
-	-	53,466
<u>-</u>	<u>117,681</u>	<u>1,435,790</u>
<u>-</u>	<u>-</u>	<u>274,010</u>
-	-	388,940
2,599,951	-	2,599,951
-	-	41,896,841
-	-	117,463
<u>-</u>	<u>9,176,085</u>	<u>9,176,085</u>
<u>2,599,951</u>	<u>9,176,085</u>	<u>54,179,280</u>
<u>\$ 2,599,951</u>	<u>\$ 9,293,766</u>	<u>\$ 55,889,080</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Criminal Investigation	Plano Television	Public Safety Communications	Municipal Court
REVENUES				
Fines and forfeitures	\$ 191,579	\$ -	\$ -	\$ 4,124
Contributions	-	-	-	-
Intergovernmental	23,425	-	1,080,112	-
Charges for services	-	465,027	1,741,908	731,660
Assessed taxes	-	-	-	-
Investment income	-	67,744	783,229	453,239
Miscellaneous	730	-	-	-
Total revenues	<u>215,734</u>	<u>532,771</u>	<u>3,605,249</u>	<u>1,189,023</u>
EXPENDITURES				
Police	43,107	-	1,250,037	1,340,844
Fire	-	-	186,787	-
Libraries	-	-	-	-
Development	-	-	-	-
Public services and operations	-	998,707	708,729	-
Capital outlay	147,246	86,479	1,759,854	51,077
Debt Service:				
Principal retirement	-	41,063	-	-
Interest and fiscal charges	-	1,687	-	-
Total expenditures	<u>190,353</u>	<u>1,127,936</u>	<u>3,905,407</u>	<u>1,391,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,381</u>	<u>(595,165)</u>	<u>(300,158)</u>	<u>(202,898)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	500,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,381	(95,165)	(300,158)	(202,898)
Fund balances - beginning	<u>3,907,375</u>	<u>1,930,622</u>	<u>22,385,678</u>	<u>13,169,103</u>
Fund balances - ending	<u>\$ 3,932,756</u>	<u>\$ 1,835,457</u>	<u>\$ 22,085,520</u>	<u>\$ 12,966,205</u>

Special Revenue			
Memorial Library	Donations	Community Paramedic Program	Opioid Settlement
\$ -	\$ -	\$ -	\$ -
115,949	55,424	124,700	-
-	-	-	-
-	-	-	-
-	-	-	-
15,736	36,271	4,603	-
-	-	-	361,514
131,685	91,695	129,303	361,514
-	-	-	36,632
-	-	119,821	-
144,611	-	-	-
-	-	-	-
-	81,007	-	-
10,709	-	-	-
-	-	-	-
-	-	-	-
155,320	81,007	119,821	36,632
(23,635)	10,688	9,482	324,882
-	45,000	-	-
-	-	-	-
-	45,000	-	-
(23,635)	55,688	9,482	324,882
452,974	563,424	83,028	-
\$ 429,339	\$ 619,112	\$ 92,510	\$ 324,882

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(continued)

	Blended Component Units		
	Downtown Plano Public Improvement District	Plano Improvement Corporation	Haggard Farm Public Improvement District
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Contributions	-	229,760	100,000
Intergovernmental	-	-	-
Charges for services	-	-	-
Assessed taxes	76,043	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>76,043</u>	<u>229,760</u>	<u>100,000</u>
EXPENDITURES			
Police	-	-	-
Fire	-	-	-
Libraries	-	-	-
Development	84,325	205,949	96,222
Public services and operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>84,325</u>	<u>205,949</u>	<u>96,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,282)</u>	<u>23,811</u>	<u>3,778</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	-	-
Transfers out	-	(53,650)	-
Total other financing sources (uses)	<u>50,000</u>	<u>(53,650)</u>	<u>-</u>
Net change in fund balances	41,718	(29,839)	3,778
Fund balances - beginning	<u>71,967</u>	<u>29,839</u>	<u>-</u>
Fund balances - ending	<u>\$ 113,685</u>	<u>\$ -</u>	<u>\$ 3,778</u>

Capital Projects		Total Nonmajor Governmental Funds
Public Infrastructure	Park Services	
\$ -	\$ -	\$ 195,703
-	-	625,833
-	-	1,103,537
-	776,022	3,714,617
-	-	76,043
1,002,529	307,266	2,670,617
-	-	362,244
<u>1,002,529</u>	<u>1,083,288</u>	<u>8,748,594</u>
-	-	2,670,620
-	-	306,608
-	-	144,611
39,951	-	426,447
-	-	1,788,443
-	494,571	2,549,936
-	-	41,063
-	-	1,687
<u>39,951</u>	<u>494,571</u>	<u>7,929,415</u>
<u>962,578</u>	<u>588,717</u>	<u>819,179</u>
-	-	595,000
-	-	(53,650)
-	-	541,350
962,578	588,717	1,360,529
<u>1,637,373</u>	<u>8,587,368</u>	<u>52,818,751</u>
<u>\$ 2,599,951</u>	<u>\$ 9,176,085</u>	<u>\$ 54,179,280</u>



CITY OF PLANO, TEXAS
DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(UNAUDITED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 57,700,600	\$ 56,842,840	\$ 57,155,919	\$ 313,079
Investment income	300,000	750,000	1,318,494	568,494
Miscellaneous	75,494	75,494	75,894	400
Total revenues	<u>58,076,094</u>	<u>57,668,334</u>	<u>58,550,307</u>	<u>881,973</u>
EXPENDITURES				
Principal retirement	35,695,000	36,112,881	30,775,000	5,337,881
Interest and fiscal charges	20,959,896	21,366,516	21,564,132	(197,616)
Total expenditures	<u>56,654,896</u>	<u>57,479,397</u>	<u>52,339,132</u>	<u>5,140,265</u>
Excess of revenues over expenditures	<u>1,421,198</u>	<u>188,937</u>	<u>6,211,175</u>	<u>6,022,238</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt-refunding	-	-	24,965,000	24,965,000
Escrow payment-refunding	-	-	(33,441,098)	(33,441,098)
Premium from sale of bonds	-	-	2,122,859	2,122,859
Total other financing uses	<u>-</u>	<u>-</u>	<u>(6,353,239)</u>	<u>(6,353,239)</u>
Net change in fund balance	1,421,198	188,937	(142,064)	(331,001)
Fund balance - beginning	<u>5,063,562</u>	<u>5,063,562</u>	<u>5,063,562</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,484,760</u>	<u>\$ 5,252,499</u>	<u>\$ 4,921,498</u>	<u>\$ (331,001)</u>



NONMAJOR ENTERPRISE FUNDS

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Plano Event Center and Visit Plano operations.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2023

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
ASSETS					
Cash and cash equivalents	\$ 1,015,254	\$ 143,408	\$ 183,550	\$ 423,195	\$ 1,765,407
Investments	4,747,232	673,593	862,140	1,985,884	8,268,849
Receivables:					
Accounts	1,115,390	-	-	-	1,115,390
Accrued interest	20,940	2,971	19,358	8,760	52,029
Other	23,247	-	-	-	23,247
Lease receivables	-	-	1,480,224	-	1,480,224
Prepaid items and other assets	460,048	-	-	6,439	466,487
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Public art	-	-	50,000	-	50,000
Buildings	11,354,841	2,427,383	-	500,000	14,282,224
Right-to-use leased buildings	985,354	-	-	-	985,354
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,650,803	17,479	-	327,165	1,995,447
Right-to-use leased equipment	59,760	-	-	-	59,760
Less accumulated depreciation	(13,898,074)	(3,692,214)	-	(801,870)	(18,392,158)
Total capital assets (net of accumulated depreciation)	3,302,564	595,296	86,999	1,507,275	5,492,134
Total assets	10,684,675	1,415,268	2,632,271	3,931,553	18,663,767
DEFERRED OUTFLOWS OF RESOURCES					
Pensions related	2,036,676	388,417	-	367,702	2,792,795
Other postemployment benefits related	423,756	94,086	-	103,780	621,622
Total deferred outflows of resources	2,460,432	482,503	-	471,482	3,414,417
LIABILITIES					
Current liabilities:					
Accounts payable	164,222	7,524	-	162	171,908
Accrued liabilities	117,629	7,809	-	181,297	306,735
Unearned revenue	485,666	-	-	975,795	1,461,461
Due to other funds	144,700	-	-	-	144,700
Accrued interest payable	3,078	-	-	-	3,078
Leases payable	182,568	-	-	-	182,568
Customer deposits	-	-	-	102,045	102,045
Liability for compensated absences	91,922	18,734	-	17,153	127,809
Total current liabilities	1,189,785	34,067	-	1,276,452	2,500,304
Noncurrent liabilities:					
Net pension liability	2,509,051	477,009	-	373,714	3,359,774
Net other postemployment benefits liability	357,158	81,681	-	88,146	526,985
Leases payable	532,951	-	-	-	532,951
Liability for compensated absences	501,692	81,937	-	31,589	615,218
Total noncurrent liabilities	3,900,852	640,627	-	493,449	5,034,928
Total liabilities	5,090,637	674,694	-	1,769,901	7,535,232
DEFERRED INFLOWS OF RESOURCES					
Pensions related	65,394	28,060	-	70,379	163,833
Other postemployment benefits related	242,001	57,416	-	62,298	361,715
Leases related	-	-	1,458,286	-	1,458,286
Total deferred inflows of resources	307,395	85,476	1,458,286	132,677	1,983,834
NET POSITION					
Net investment in capital assets	2,587,045	595,296	86,999	1,507,275	4,776,615
Unrestricted	5,160,030	542,305	1,086,986	993,182	7,782,503
Total net position	\$ 7,747,075	\$ 1,137,601	\$ 1,173,985	\$ 2,500,457	\$ 12,559,118

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
OPERATING REVENUES					
Charges for services	\$ 3,643,536	\$ 1,324,162	\$ 28,889	\$ 3,786,189	\$ 8,782,776
Miscellaneous charges	17,407	-	-	60,458	77,865
Total operating revenues	<u>3,660,943</u>	<u>1,324,162</u>	<u>28,889</u>	<u>3,846,647</u>	<u>8,860,641</u>
OPERATING EXPENSES					
Personnel services	3,769,122	707,182	-	1,358,157	5,834,461
Pension and other postemployment benefits expense (net)	209,351	37,822	-	35,557	282,730
Contractual services	6,721,212	252,230	65,465	2,159,708	9,198,615
Supplies	851,420	96,691	-	187,234	1,135,345
Depreciation and amortization	237,874	-	-	116,066	353,940
Miscellaneous	115,422	2,238	-	25,743	143,403
Total operating expenses	<u>11,904,401</u>	<u>1,096,163</u>	<u>65,465</u>	<u>3,882,465</u>	<u>16,948,494</u>
Operating income (loss)	<u>(8,243,458)</u>	<u>227,999</u>	<u>(36,576)</u>	<u>(35,818)</u>	<u>(8,087,853)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	139,301	19,993	96,689	82,508	338,491
Auction proceeds	12,774	-	-	-	12,774
Interest and fiscal charges	(33,265)	-	-	-	(33,265)
Hotel occupancy taxes	12,588,654	-	-	-	12,588,654
Miscellaneous	4,871	-	-	2,941	7,812
Total nonoperating revenues	<u>12,712,335</u>	<u>19,993</u>	<u>96,689</u>	<u>85,449</u>	<u>12,914,466</u>
Income before transfers	4,468,877	247,992	60,113	49,631	4,826,613
Transfers in	-	-	49,601	-	49,601
Transfers out	(2,507,419)	(67,588)	-	(221,706)	(2,796,713)
Change in net position	1,961,458	180,404	109,714	(172,075)	2,079,501
Total net position - beginning	<u>5,785,617</u>	<u>957,197</u>	<u>1,064,271</u>	<u>2,672,532</u>	<u>10,479,617</u>
Total net position - ending	<u>\$ 7,747,075</u>	<u>\$ 1,137,601</u>	<u>\$ 1,173,985</u>	<u>\$ 2,500,457</u>	<u>\$ 12,559,118</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 3,819,971	\$ 1,324,162	\$ 27,063	\$ 3,851,696	\$ 9,022,892
Cash payments to suppliers for goods and services	(7,656,977)	(350,617)	(65,465)	(2,364,088)	(10,437,147)
Cash paid to or on behalf of employees for services	(3,775,993)	(696,518)	-	(1,378,849)	(5,851,360)
Net cash provided (used) by operating activities	(7,612,999)	277,027	(38,402)	108,759	(7,265,615)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel occupancy taxes	12,588,654	-	-	-	12,588,654
Transfers to other funds	(2,507,419)	(67,588)	-	(221,706)	(2,796,713)
Transfers from other funds	-	-	49,601	-	49,601
Net cash provided (used) by noncapital financing activities	10,081,235	(67,588)	49,601	(221,706)	9,841,542
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of equipment	12,774	-	-	-	12,774
Principal paid on long-term debt	(171,885)	-	-	-	(171,885)
Interest paid on long-term debt	(33,633)	-	-	-	(33,633)
Proceeds from insurance damages	4,871	-	-	2,941	7,812
Net cash provided (used) by capital and related financing activities	(187,873)	-	-	2,941	(184,932)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investment securities	(4,747,232)	(673,593)	(862,140)	(1,985,884)	(8,268,849)
Proceeds from sale and maturities of investment securities	2,963,085	520,905	830,535	2,156,987	6,471,512
Interest on investments	129,853	19,042	96,150	82,114	327,159
Net cash provided (used) by investing activities	(1,654,294)	(133,646)	64,545	253,217	(1,470,178)
Net increase in cash and cash equivalents	626,069	75,793	75,744	143,211	920,817
Cash and cash equivalents - beginning	389,185	67,615	107,806	279,984	844,590
Cash and cash equivalents - ending	<u>\$ 1,015,254</u>	<u>\$ 143,408</u>	<u>\$ 183,550</u>	<u>\$ 423,195</u>	<u>\$ 1,765,407</u>
Noncash disclosures:					
Decrease in fair value of investments	\$ (67,194)	\$ (32,915)	\$ (4,058)	\$ (134,338)	\$ (238,505)

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(continued)

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (8,243,458)	\$ 227,999	\$ (36,576)	\$ (35,818)	\$ (8,087,853)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	237,874	-	-	116,066	353,940
Pension and other postemployment benefits expense (net)	209,351	37,822	-	35,557	282,730
Change in assets and liabilities:					
(Increase) decrease in-					
Accounts receivables	(94,779)	-	16,920	18,314	(59,545)
Lease receivables	-	-	9,398	-	9,398
Other receivables	(3,337)	-	-	-	(3,337)
Prepaid items and other assets	(20,877)	-	-	10,943	(9,934)
Increase (decrease) in-					
Accounts payable	55,291	542	-	(2,346)	53,487
Accrued liabilities	5,250	1,306	-	3,996	10,552
Due to other funds	144,700	-	-	-	144,700
Liability for compensated absences	(12,121)	9,358	-	(24,688)	(27,451)
Customer deposits	-	-	-	(29,585)	(29,585)
Deferred inflows from leases	-	-	(28,144)	-	(28,144)
Unearned revenue	109,107	-	-	16,320	125,427
Total adjustments	630,459	49,028	(1,826)	144,577	822,238
Net cash provided (used) by operating activities	\$ (7,612,999)	\$ 277,027	\$ (38,402)	\$ 108,759	\$ (7,265,615)



INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department for another.

The City has five internal service funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility, which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SOLUTIONS FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2023

	Equipment Maintenance	Municipal Warehouse	Technology Solutions
ASSETS			
Cash and cash equivalents	\$ 6,763,207	\$ -	\$ 2,921,425
Investments	31,767,033	-	13,722,043
Receivables:			
Accounts	-	10,941	-
Accrued interest	484,211	-	60,527
Other	-	-	5,592
Inventories	81,346	2,169,257	-
Prepaid items and other assets	-	-	70,004
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Right-to-use leased buildings	-	-	198,533
Equipment	32,735,817	-	26,782,618
Rolling equipment	79,849,762	-	-
Right-to-use leased equipment	-	-	5,067,215
Right-to-use subscription assets	-	-	1,792,898
Less accumulated depreciation	(67,356,776)	-	(19,323,227)
Total capital assets (net of accumulated depreciation)	50,545,233	-	15,239,423
Total assets	89,641,030	2,180,198	32,019,014
DEFERRED OUTFLOWS OF RESOURCES			
Pensions related	1,887,909	393,497	5,762,475
Other postemployment benefits related	369,531	97,063	752,486
Total deferred outflows of resources	2,257,440	490,560	6,514,961
LIABILITIES			
Current liabilities:			
Accounts payable	1,213,028	106,955	493,960
Accrued liabilities	41,709	7,875	151,249
Due to other funds	-	1,253,329	-
Accrued interest payable	-	-	61,125
Leases payable	-	-	1,189,074
Subscription liabilities	-	-	316,555
Liability for compensated absences	27,883	1,205	130,615
Liability for insurance claims	-	-	-
Total current liabilities	1,282,620	1,369,364	2,342,578
Noncurrent liabilities:			
Net pension liability	2,365,105	459,749	6,862,533
Net other postemployment benefits liability	296,819	81,610	599,405
Leases payable	-	-	2,972,618
Subscription liabilities	-	-	1,147,834
Liability for compensated absences	102,144	76,630	489,681
Total noncurrent liabilities	2,764,068	617,989	12,072,071
Total liabilities	4,046,688	1,987,353	14,414,649
DEFERRED INFLOWS OF RESOURCES			
Pensions related	5,694	26,534	3,449
Other postemployment benefits related	213,808	57,862	372,344
Total deferred inflows of resources	219,502	84,396	375,793
NET POSITION			
Net investment in capital assets	50,545,233	-	9,613,342
Unrestricted	37,087,047	599,009	14,130,191
Total net position	\$ 87,632,280	\$ 599,009	\$ 23,743,533

Risk Management	Health Claims	Total
\$ 919,155	\$ 1,437,219	\$ 12,041,006
4,317,304	6,750,672	56,557,052
-	-	10,941
19,043	284,447	848,228
-	-	5,592
-	-	2,250,603
800	31,000	101,804
-	-	62,522
-	-	5,975,294
-	-	198,533
-	-	59,518,435
-	-	79,849,762
-	-	5,067,215
-	-	1,792,898
-	-	(86,680,003)
-	-	65,784,656
5,256,302	8,503,338	137,599,882
433,748	-	8,477,629
66,350	-	1,285,430
500,098	-	9,763,059
77,160	418,248	2,309,351
9,102	-	209,935
-	-	1,253,329
-	-	61,125
-	-	1,189,074
-	-	316,555
839	-	160,542
5,008,774	4,445,072	9,453,846
5,095,875	4,863,320	14,953,757
552,351	-	10,239,738
55,347	-	1,033,181
-	-	2,972,618
-	-	1,147,834
83,055	-	751,510
690,753	-	16,144,881
5,786,628	4,863,320	31,098,638
1,405	-	37,082
34,724	-	678,738
36,129	-	715,820
-	-	60,158,575
(66,357)	3,640,018	55,389,908
\$ (66,357)	\$ 3,640,018	\$ 115,548,483

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Equipment Maintenance	Municipal Warehouse	Technology Solutions
OPERATING REVENUES			
Charges for services	\$ 27,038,565	\$ 5,259,105	\$ 25,599,431
Subrogation receipts	-	-	-
Intergovernmental	310,318	-	-
Miscellaneous charges	-	3,187	1,000
Total operating revenues	27,348,883	5,262,292	25,600,431
OPERATING EXPENSES			
Personnel services	3,445,739	707,008	10,834,085
Pension and other postemployment benefits expense (net)	190,784	37,589	623,129
Contractual services	3,337,826	80,981	11,426,218
Supplies	5,146,963	4,585,363	1,270,830
Claims expense	-	-	-
Depreciation and amortization	11,406,997	-	3,666,083
Miscellaneous	67,582	38,811	38,874
Total operating expenses	23,595,891	5,449,752	27,859,219
Operating income (loss)	3,752,992	(187,460)	(2,258,788)
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,405,104	-	583,475
Gain on property disposition	1,160,302	-	9,403
Interest and fiscal charges	-	-	(220,829)
Miscellaneous	748	12,274	53,391
Total nonoperating revenues	2,566,154	12,274	425,440
Income (loss) before transfers	6,319,146	(175,186)	(1,833,348)
Transfers in	469,914	-	1,000,000
Transfers out	-	-	(250,000)
Change in net position	6,789,060	(175,186)	(1,083,348)
Total net position - beginning	80,843,220	774,195	24,826,881
Total net position - ending	\$ 87,632,280	\$ 599,009	\$ 23,743,533

Risk Management	Health Claims	Total
\$ 8,071,329	\$ 39,678,967	\$ 105,647,397
977,918	-	977,918
-	-	310,318
-	525	4,712
<u>9,049,247</u>	<u>39,679,492</u>	<u>106,940,345</u>
683,678	-	15,670,510
44,280	-	895,782
2,942,818	4,546,242	22,334,085
17,297	-	11,020,453
6,419,814	39,264,009	45,683,823
-	-	15,073,080
31,386	-	176,653
<u>10,139,273</u>	<u>43,810,251</u>	<u>110,854,386</u>
<u>(1,090,026)</u>	<u>(4,130,759)</u>	<u>(3,914,041)</u>
191,217	286,989	2,466,785
-	-	1,169,705
-	-	(220,829)
-	-	66,413
<u>191,217</u>	<u>286,989</u>	<u>3,482,074</u>
(898,809)	(3,843,770)	(431,967)
-	1,500,000	2,969,914
-	-	(250,000)
<u>(898,809)</u>	<u>(2,343,770)</u>	<u>2,287,947</u>
832,452	5,983,788	113,260,536
<u>\$ (66,357)</u>	<u>\$ 3,640,018</u>	<u>\$ 115,548,483</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Equipment Maintenance	Municipal Warehouse	Technology Solutions
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from other funds	\$ 27,038,565	\$ 5,604,744	\$ 25,595,366
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(3,682,774)	(4,918,651)	(12,578,662)
Cash paid to or on behalf of employees for services	(3,416,542)	(698,367)	(10,767,231)
Net cash provided (used) by operating activities	<u>19,939,249</u>	<u>(12,274)</u>	<u>2,249,473</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	-	-	(250,000)
Transfers from other funds	<u>469,914</u>	<u>-</u>	<u>1,000,000</u>
Net cash provided by noncapital financing activities	<u>469,914</u>	<u>-</u>	<u>750,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(25,266,353)	-	(1,515,626)
Proceeds on sale of equipment	2,035,014	12,274	9,403
Principal paid on long-term debt	-	-	(1,529,280)
Interest paid on long-term debt	-	-	(173,369)
Proceeds from insurance damages	<u>748</u>	<u>-</u>	<u>53,391</u>
Net cash provided (used) by capital and related financing activities	<u>(23,230,591)</u>	<u>12,274</u>	<u>(3,155,481)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investment securities	(31,767,033)	-	(13,722,043)
Proceeds from sales and maturities of investment securities	35,513,894	-	14,357,232
Interest on investments	<u>1,227,960</u>	<u>-</u>	<u>578,630</u>
Net cash provided by investing activities	<u>4,974,821</u>	<u>-</u>	<u>1,213,819</u>
Net increase in cash and cash equivalents	<u>2,153,393</u>	<u>-</u>	<u>1,057,811</u>
Cash and cash equivalents - beginning	<u>4,609,814</u>	<u>-</u>	<u>1,863,614</u>
Cash and cash equivalents - ending	<u><u>\$ 6,763,207</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,921,425</u></u>
Noncash disclosure:			
Property disposition/adjustments	\$ (874,712)	\$ -	\$ -
Decrease in fair value of investments	422,675	-	127,895
Transfer in of capital assets	1,160,526	-	-

Risk Management	Health Claims	Total
\$ 8,071,329	\$ 39,679,492	\$ 105,989,496
977,918	-	977,918
(9,438,325)	(42,608,818)	(73,227,230)
(671,661)	-	(15,553,801)
(1,060,739)	(2,929,326)	18,186,383
-	1,500,000	1,250,000
-	-	1,469,914
-	1,500,000	2,719,914
-	-	(26,781,979)
-	-	2,056,691
-	-	(1,529,280)
-	-	(173,369)
-	-	54,139
-	-	(26,373,798)
(4,317,304)	(6,750,672)	(56,557,052)
5,402,773	8,480,932	63,754,831
193,128	35,434	2,035,152
1,278,597	1,765,694	9,232,931
217,858	336,368	3,765,430
701,297	1,100,851	8,275,576
<u>\$ 919,155</u>	<u>\$ 1,437,219</u>	<u>\$ 12,041,006</u>
\$ -	\$ -	\$ (874,712)
89,490	141,764	781,824
-	-	1,160,526

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(continued)

	Equipment Maintenance	Municipal Warehouse	Technology Solutions
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 3,752,992</u>	<u>\$ (187,460)</u>	<u>\$ (2,258,788)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	11,406,997	-	3,666,083
Pension and other postemployment benefits expense (net)	190,784	37,589	623,129
Changes in assets and liabilities:			
(Increase) decrease in-			
Accounts receivable	-	(10,941)	-
Other receivables	-	-	(5,065)
Due from other governments	(310,318)	-	-
Prepaid items and other assets	4,181,321	-	(69,228)
Inventories	1,060	(125,348)	-
Increase (decrease) in-			
Accounts payable	687,216	(91,335)	226,488
Accrued liabilities	9,856	1,330	44,195
Due to other funds	-	356,580	-
Liability for compensated absences	19,341	7,311	22,659
Liability for insurance claims	-	-	-
Total adjustments	<u>16,186,257</u>	<u>175,186</u>	<u>4,508,261</u>
Net cash provided (used) by operating activities	<u><u>\$ 19,939,249</u></u>	<u><u>\$ (12,274)</u></u>	<u><u>\$ 2,249,473</u></u>

Risk Management	Health Claims	Total
<u>\$ (1,090,026)</u>	<u>\$ (4,130,759)</u>	<u>\$ (3,914,041)</u>
-	-	15,073,080
44,280	-	895,782
-	-	(10,941)
-	-	(5,065)
-	-	(310,318)
400	-	4,112,493
-	-	(124,288)
17,226	304,341	1,143,936
2,015	-	57,396
-	-	356,580
10,002	-	59,313
<u>(44,636)</u>	<u>897,092</u>	<u>852,456</u>
<u>29,287</u>	<u>1,201,433</u>	<u>22,100,424</u>
<u><u>\$ (1,060,739)</u></u>	<u><u>\$ (2,929,326)</u></u>	<u><u>\$ 18,186,383</u></u>



FIDUCIARY FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS:

PENSION TRUST – to account for the Retirement Security Plan assets held for full-time employees as a substitute retirement plan to Social Security.

OTHER POST-EMPLOYMENT BENEFITS TRUST – to account for the Section 115 Post-Employment Benefits Trust assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

CUSTODIAL FUNDS:

COLLIN CREEK EAST PID – to account for the 60-acres of the Collin Creek Mall Redevelopment Project with funding deriving from PID bonds, developers' contributions and land acquisition, which is held in trust.

COLLIN CREEK WEST PID - to account for the 30-acres of the Collin Creek Mall Redevelopment Project with funding deriving from PID bonds, which is held in trust.

TIRZ NO. 4 – to account for the sale of the TIRZ revenue stream from the 99-acres of real property related to the Collin Creek Mall Redevelopment Project.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2023

	Pension Trust Fund	Other Post-Employment Benefits Trust Fund	Total Pension and Other Post-Employment Benefits Trust Funds
ASSETS			
Cash and cash equivalents	\$ 945,853	\$ 839,896	\$ 1,785,749
Investments:			
Mutual funds:			
Domestic equity funds	83,455,263	42,628,283	126,083,546
International equity funds	38,344,889	26,406,867	64,751,756
Fixed income funds	17,653,556	14,763,276	32,416,832
Bank loans	8,981,861	4,755,103	13,736,964
Real estate investment trusts	18,935,068	6,032,996	24,968,064
Collective investment trusts	18,539,693	14,906,584	33,446,277
Diversified inflation strategies	8,892,626	4,453,186	13,345,812
Accrued interest	3,097	8,333	11,430
Prepaid items and other assets	-	37,777	37,777
Total assets	195,751,906	114,832,301	310,584,207
LIABILITIES			
Accrued liabilities	-	829,492	829,492
Bond holder liability	-	-	-
Total liabilities	-	829,492	829,492
NET POSITION			
Net position restricted for pensions	195,751,906	-	195,751,906
Net position restricted for other postemployment benefits	-	114,002,809	114,002,809
Net position restricted for custodial funds	-	-	-
Total net position	\$ 195,751,906	\$ 114,002,809	\$ 309,754,715

Collin Creek East PID Custodial Fund	Collin Creek West PID Custodial Fund	TIRZ No. 4 Custodial Fund	Total Custodial Funds
\$ 15,924,133	\$ 1,147,363	\$ 4,536,527	\$ 21,608,023
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
15,924,133	1,147,363	4,536,527	21,608,023
38,476	-	1,349,484	1,387,960
31,778,170	14,161,774	-	45,939,944
31,816,646	14,161,774	1,349,484	47,327,904
-	-	-	-
-	-	-	-
(15,892,513)	(13,014,411)	3,187,043	(25,719,881)
\$ (15,892,513)	\$ (13,014,411)	\$ 3,187,043	\$ (25,719,881)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Pension Trust Fund	Other Post-Employment Benefits Trust Fund	Total Pension and Other Post-Employment Benefits Trust Funds
ADDITIONS			
Contributions:			
From employers	\$ 6,929,246	\$ 4,732,511	\$ 11,661,757
From retirees	-	2,888,240	2,888,240
From City and developer	-	-	-
Total contributions	<u>6,929,246</u>	<u>7,620,751</u>	<u>14,549,997</u>
Investment return:			
Net increase in fair value of investments	17,924,784	12,004,798	29,929,582
Interest	(1,710)	52,550	50,840
Dividends	2,716,338	1,995,523	4,711,861
Miscellaneous	-	20,187	20,187
Total investment return	<u>20,639,412</u>	<u>14,073,058</u>	<u>34,712,470</u>
Less investment expenses:			
Trustee fees	90,486	27,028	117,514
Advisory fees	97,308	105,998	203,306
Total investment expenses	<u>187,794</u>	<u>133,026</u>	<u>320,820</u>
Net investment return	<u>20,451,618</u>	<u>13,940,032</u>	<u>34,391,650</u>
Total additions	<u>27,380,864</u>	<u>21,560,783</u>	<u>48,941,647</u>
DEDUCTIONS			
Benefits	8,083,361	6,492,233	14,575,594
Administrative expenses	59,137	2,804,845	2,863,982
Bond interest	-	-	-
Project expenses	-	-	-
Total deductions	<u>8,142,498</u>	<u>9,297,078</u>	<u>17,439,576</u>
Change in net position	19,238,366	12,263,705	31,502,071
Total net position - beginning	<u>176,513,540</u>	<u>101,739,104</u>	<u>278,252,644</u>
Total net position - ending	<u>\$ 195,751,906</u>	<u>\$ 114,002,809</u>	<u>\$ 309,754,715</u>

Collin Creek East PID Custodial Fund	Collin Creek West PID Custodial Fund	TIRZ No. 4 Custodial Fund	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
251,038	976,548	-	1,227,586
<u>251,038</u>	<u>976,548</u>	<u>-</u>	<u>1,227,586</u>
-	-	-	-
-	-	-	-
744,101	163,034	1,042,096	1,949,231
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>744,101</u>	<u>163,034</u>	<u>1,042,096</u>	<u>1,949,231</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
744,101	163,034	1,042,096	1,949,231
<u>995,139</u>	<u>1,139,582</u>	<u>1,042,096</u>	<u>3,176,817</u>
-	-	-	-
-	-	-	-
1,433,294	587,480	-	2,020,774
<u>3,743,566</u>	<u>5,403,898</u>	<u>36,016,643</u>	<u>45,164,107</u>
<u>5,176,860</u>	<u>5,991,378</u>	<u>36,016,643</u>	<u>47,184,881</u>
(4,181,721)	(4,851,796)	(34,974,547)	(44,008,064)
<u>(11,710,792)</u>	<u>(8,162,615)</u>	<u>38,161,590</u>	<u>18,288,183</u>
<u>\$ (15,892,513)</u>	<u>\$ (13,014,411)</u>	<u>\$ 3,187,043</u>	<u>\$ (25,719,881)</u>



DISCRETELY PRESENTED COMPONENT UNITS

TIF No. 2 – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

TIF No. 3 – organized to account for a tax increment financing unit for improvements related to the future construction and development of the Silver Line Regional Rail Project.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2023

	TIF No. 2	TIF No. 3	Total
ASSETS			
Current:			
Cash and cash equivalents	\$ 14,126,889	\$ 1,078,278	\$ 15,205,167
Receivables:			
Accrued interest	289	-	289
Lease receivables	125,435	-	125,435
Noncurrent:			
Capital assets, nondepreciable	1,938,037	-	1,938,037
Total assets	16,190,650	1,078,278	17,268,928
LIABILITIES			
Accounts payable	157,811	-	157,811
Total liabilities	157,811	-	157,811
DEFERRED INFLOWS OF RESOURCES			
Leases related	107,969	-	107,969
Total deferred inflows of resources	107,969	-	107,969
NET POSITION			
Net investment in capital assets	1,938,037	-	1,938,037
Restricted	13,986,833	1,078,278	15,065,111
Total net position	\$ 15,924,870	\$ 1,078,278	\$ 17,003,148

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	TIF No. 2	TIF No. 3	Total
OPERATING REVENUES			
Miscellaneous	\$ 15,242	\$ -	\$ 15,242
Total operating revenues	<u>15,242</u>	<u>-</u>	<u>15,242</u>
OPERATING EXPENSES			
Contractual services	<u>1,655,711</u>	<u>-</u>	<u>1,655,711</u>
Total operating expenses	<u>1,655,711</u>	<u>-</u>	<u>1,655,711</u>
Operating loss	(1,640,469)	-	(1,640,469)
NONOPERATING REVENUES			
Property taxes	3,364,180	606,417	3,970,597
Interest income on leases	<u>5,592</u>	<u>-</u>	<u>5,592</u>
Total nonoperating revenues	<u>3,369,772</u>	<u>606,417</u>	<u>3,976,189</u>
Change in net position	1,729,303	606,417	2,335,720
Total net position - beginning	<u>14,195,567</u>	<u>471,861</u>	<u>14,667,428</u>
Total net position - ending	<u>\$ 15,924,870</u>	<u>\$ 1,078,278</u>	<u>\$ 17,003,148</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	TIF No. 2	TIF No. 3	Total
CASH FLOWS FROM OPERATING			
ACTIVITIES			
Cash payments to suppliers for goods and services	\$ (1,533,420)	\$ -	\$ (1,533,420)
Cash received from customers	15,242	-	15,242
Net cash used by operating activities	<u>(1,518,178)</u>	<u>-</u>	<u>(1,518,178)</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES			
Property taxes	3,364,180	606,417	3,970,597
Proceeds from sale of land	-	-	-
Net cash provided by noncapital financing activities	<u>3,364,180</u>	<u>606,417</u>	<u>3,970,597</u>
CASH FLOWS FROM CAPITAL AND RELATED			
FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>(607,572)</u>	<u>-</u>	<u>(607,572)</u>
Net cash used by operating and related financing activities	<u>(607,572)</u>	<u>-</u>	<u>(607,572)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>6,451</u>	<u>-</u>	<u>6,451</u>
Net cash provided by investing activities	<u>6,451</u>	<u>-</u>	<u>6,451</u>
Net increase in cash and cash equivalents	1,244,881	606,417	1,851,298
Cash and cash equivalents - beginning	<u>12,882,008</u>	<u>471,861</u>	<u>13,353,869</u>
Cash and cash equivalents - ending	<u>\$ 14,126,889</u>	<u>\$ 1,078,278</u>	<u>\$ 15,205,167</u>

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 (continued)

	<u>TIF No. 2</u>	<u>TIF No. 3</u>	<u>Total</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	<u>\$ (1,640,469)</u>	<u>\$ -</u>	<u>\$ (1,640,469)</u>
Changes in assets and liabilities:			
Decrease in leases receivables	12,794	-	12,794
Increase (decrease) in:			
Deferred inflows from leases	(15,279)	-	(15,279)
Accounts payable	<u>124,776</u>	<u>-</u>	<u>124,776</u>
Total adjustments	<u>122,291</u>	<u>-</u>	<u>122,291</u>
Net cash used by operating activities	<u>\$ (1,518,178)</u>	<u>\$ -</u>	<u>\$ (1,518,178)</u>





STATISTICAL SECTION

2023

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

City of Plano, Texas



STATISTICAL SECTION TABLE OF CONTENTS (unaudited)

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136-141
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	142-145
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	146-151
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152-153
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	154-158

CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 964,900,369	\$ 930,684,227	\$ 930,347,632	\$ 911,222,409	\$ 863,800,846	\$ 831,253,007	\$ 790,687,802	\$ 749,829,714	\$ 716,648,113	\$ 695,615,093
Restricted	45,676,771	46,144,013	50,665,804	76,623,719	57,577,590	53,020,956	59,809,891	68,249,570	47,465,237	32,097,048
Unrestricted	271,827,496	263,136,295	196,822,044	128,293,244	144,063,956	123,431,005	163,907,113	167,247,133	179,758,472	215,051,526
Total governmental activities net position	\$ 1,282,404,636	\$ 1,239,964,535	\$ 1,177,835,480	\$ 1,116,139,372	\$ 1,065,442,392	\$ 1,007,704,968	\$ 1,014,404,806	\$ 985,326,417	\$ 943,871,822	\$ 942,763,667
Business-type activities:										
Net investment in capital assets	\$ 395,785,489	\$ 386,232,200	\$ 385,244,970	\$ 389,326,342	\$ 377,284,205	\$ 378,270,126	\$ 377,622,087	\$ 374,462,834	\$ 370,220,021	\$ 360,960,813
Restricted	5,967,745	5,775,755	6,049,457	5,225,754	5,054,830	4,591,766	6,106,990	3,298,965	2,377,534	2,242,278
Unrestricted	122,997,807	101,039,838	88,688,126	89,260,757	101,767,064	91,641,587	81,186,158	88,495,857	88,328,906	89,364,337
Total business-type activities net position	\$ 524,751,041	\$ 493,047,793	\$ 479,982,553	\$ 483,812,853	\$ 484,106,099	\$ 474,503,479	\$ 464,915,235	\$ 466,257,656	\$ 460,926,461	\$ 452,567,428
Primary government:										
Net investment in capital assets	\$ 1,360,685,858	\$ 1,316,916,427	\$ 1,315,592,602	\$ 1,300,548,751	\$ 1,241,085,051	\$ 1,209,523,133	\$ 1,168,309,889	\$ 1,124,292,548	\$ 1,086,868,134	\$ 1,056,575,906
Restricted	51,644,516	51,919,768	56,715,261	81,849,473	62,632,420	57,612,722	65,916,881	71,548,535	49,842,771	34,339,326
Unrestricted	394,825,303	364,176,133	285,510,170	217,554,001	245,831,020	215,072,592	245,093,271	255,742,990	268,087,378	304,415,863
Total primary government net position	\$ 1,807,155,677	\$ 1,733,012,328	\$ 1,657,818,033	\$ 1,599,952,225	\$ 1,549,548,491	\$ 1,482,208,447	\$ 1,479,320,041	\$ 1,451,584,073	\$ 1,404,798,283	\$ 1,395,331,095

Source: Annual Comprehensive Financial Report

CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 34,046,772	\$ 28,958,997	\$ 26,692,769	\$ 28,402,791	\$ 27,370,123	\$ 26,304,530	\$ 27,352,742	\$ 27,017,457	\$ 27,636,869	\$ 22,837,719
Administrative services	14,645,127	11,020,080	12,795,988	13,857,328	13,469,841	11,464,812	11,729,785	10,635,244	9,555,715	9,004,302
Police	111,065,230	86,630,567	85,181,136	90,732,275	96,849,338	90,322,013	88,408,381	80,837,474	74,607,299	73,546,241
Fire	85,566,977	66,169,812	64,308,828	69,356,690	69,588,566	61,042,750	63,104,587	56,724,482	51,268,423	50,822,815
Libraries	15,835,410	12,110,167	11,335,058	12,572,838	13,630,329	11,436,405	12,381,069	12,107,913	10,646,832	11,152,367
Development	47,473,343	45,910,292	48,276,298	47,639,113	43,648,189	47,861,153	38,018,301	36,859,600	33,116,211	35,304,179
Public services and operations	10,782,568	8,283,381	7,665,759	8,464,111	8,742,013	7,972,290	8,350,096	7,638,382	6,575,756	7,350,378
Parks and recreation	44,181,906	38,038,757	35,645,989	35,069,347	35,901,150	33,854,714	36,069,542	32,462,901	30,933,825	32,444,929
Public works	47,161,322	43,146,962	40,695,992	39,076,813	37,692,509	35,968,999	33,751,984	32,287,926	30,531,725	29,653,914
Technology solutions	28,354,541	24,817,161	23,536,254	26,540,857	18,420,184	19,215,958	18,193,246	18,524,241	18,193,965	17,035,972
Interest on long-term debt	15,904,802	12,831,275	13,460,964	13,137,948	15,660,793	12,725,258	10,897,222	10,309,486	8,887,609	11,454,975
Total governmental activities expenses	455,017,998	377,917,451	369,595,035	384,850,111	380,973,035	358,168,882	348,256,955	325,405,106	301,954,229	300,607,791
Business-type activities:										
Water and sewer	185,133,437	169,317,808	166,293,322	165,919,227	158,249,938	153,117,762	144,379,544	133,481,605	117,747,963	113,527,471
Sustainability and environmental services	33,700,795	31,906,204	28,779,807	30,769,325	30,404,600	26,932,415	26,767,335	25,354,273	22,043,523	22,664,437
Municipal drainage	7,772,336	7,055,069	6,483,487	5,661,224	5,737,101	5,308,525	4,977,428	4,933,219	4,613,572	4,576,230
Convention and tourism	11,409,220	9,511,343	7,467,714	8,728,965	9,997,772	8,937,082	8,661,450	7,402,651	9,093,255	6,547,215
Municipal golf course	1,082,288	941,744	837,798	1,020,315	938,059	1,173,724	1,220,462	1,198,346	1,789,341	1,017,816
Downtown center development	65,465	8,581	8,748	12,385	11,788	26,836	17,406	14,273	11,726	28,931
Recreation revolving	3,905,008	2,778,478	1,153,645	2,170,082	3,891,884	3,432,942	3,574,034	3,295,974	3,349,987	3,215,117
Total business-type activities expenses	243,068,549	221,519,227	211,024,521	214,281,523	209,231,142	198,929,286	189,597,659	175,680,341	158,649,367	151,577,217
Total primary government expenses	698,086,547	599,436,678	580,619,556	599,131,634	590,204,177	557,098,168	537,854,614	501,085,447	460,603,596	452,185,008
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,762,769	7,860,975	8,670,629	5,852,307	7,158,219	6,906,381	10,088,711	6,691,140	6,551,280	6,152,383
Administrative services	179,352	149,117	18,267	23,513	24,847	49,074	5,855	3,928	21,428	5,296
Police	8,945,533	8,633,086	8,590,717	9,107,057	14,290,643	17,637,778	18,608,424	17,981,734	17,361,393	16,615,952
Fire	6,839,571	6,903,668	5,895,986	7,139,689	6,771,721	6,138,787	5,941,980	5,798,677	5,496,159	4,898,085
Libraries	172,505	120,946	76,877	67,348	137,389	323,969	251,187	245,954	339,198	432,864
Development	8,758,244	10,939,460	9,735,663	7,906,705	7,034,801	7,588,183	9,335,464	12,573,047	10,206,808	6,492,386
Public services and operations	1,213,750	1,165,120	1,327,940	1,377,109	1,580,198	1,578,599	1,550,664	1,534,663	1,494,484	1,448,584
Parks and recreation	9,715,916	8,673,156	6,974,286	5,163,321	9,551,063	6,200,769	4,858,934	5,049,382	4,668,090	4,423,381
Public works	64,022	416,040	282,033	170,167	154,379	89,655	34,783	18,829	39,452	48,710
Technology solutions	5,088,198	4,656,195	4,321,836	4,239,203	4,087,167	3,789,685	3,673,689	3,862,930	3,297,065	3,044,377
Operating grants and contributions	37,056,832	46,287,625	38,177,985	38,930,198	16,419,176	15,900,571	12,735,876	13,846,703	18,586,476	15,264,041
Capital grants and contributions	20,635,758	5,288,711	4,520,953	9,080,740	22,049,949	13,149,824	12,042,196	16,642,121	19,043,456	11,542,543
Total governmental activities program revenues	106,432,450	101,094,099	88,593,172	89,057,357	89,259,552	79,353,275	79,127,763	84,249,108	87,105,289	70,368,602

(continued)

**CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

**Table 2
(continued)**

	Fiscal Year									
	2022	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities:										
Charges for services:										
Water and sewer	\$ 211,510,105	\$ 191,480,491	\$ 166,260,792	\$ 169,326,233	\$ 165,610,500	\$ 169,851,498	\$ 143,957,017	\$ 140,654,894	\$ 132,067,317	\$ 114,554,767
Sustainability and environmental services	23,506,783	21,004,408	21,748,362	19,189,375	18,892,173	17,707,463	17,819,166	16,288,331	16,168,862	16,147,526
Municipal drainage	11,160,281	9,908,199	9,445,831	7,709,626	7,547,254	7,618,351	7,541,895	7,318,823	7,163,876	7,400,810
Convention and tourism	3,678,588	3,081,453	1,002,340	1,542,996	3,409,953	2,720,286	1,861,402	2,420,541	2,214,354	1,727,103
Municipal golf course	1,324,162	1,338,795	1,254,783	1,054,720	919,608	977,664	1,020,019	887,717	954,645	965,465
Downtown center development	28,889	62,831	72,678	72,678	73,278	94,393	68,678	73,206	147,789	93,896
Recreation revolving	3,849,588	3,405,797	1,938,605	1,505,331	4,099,481	3,728,889	3,889,169	3,733,821	3,635,336	3,773,493
Operating grants and contributions	-	-	-	-	-	-	-	1,041	60,980	-
Capital grants and contributions	3,033,360	2,804,559	1,210,647	7,412,313	6,099,345	4,443,912	7,778,571	4,451,393	5,548,273	3,463,123
Total business-type activities program revenues	258,091,756	233,086,533	202,934,038	207,813,272	206,651,592	207,142,456	183,935,917	175,829,767	167,961,432	148,126,183
Total primary government program revenues	364,524,206	334,180,632	291,527,210	296,870,629	295,911,144	286,495,731	263,063,680	260,078,875	255,066,721	218,494,785
Net (expense) revenue										
Governmental activities	(348,585,548)	(276,823,352)	(281,001,863)	(295,792,754)	(291,713,483)	(278,815,607)	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)
Business-type activities	15,023,207	11,567,306	(8,090,483)	(6,468,251)	(2,579,550)	8,213,170	(5,661,742)	149,426	9,312,065	(3,451,034)
Total primary government net (expense)	(333,562,341)	(265,256,046)	(289,092,346)	(302,261,005)	(294,293,033)	(270,602,437)	(274,790,934)	(241,006,572)	(205,536,875)	(233,690,223)
General revenues and transfers										
Governmental activities:										
Property taxes	222,561,336	216,371,573	212,712,653	206,429,516	202,327,784	191,237,106	173,005,300	163,619,692	150,960,855	140,180,751
Sales taxes	114,129,170	108,199,089	93,476,667	87,256,319	88,493,108	85,790,057	81,795,481	76,948,348	76,326,156	74,468,963
Mixed drink taxes	2,819,115	2,752,147	2,122,801	1,748,846	2,402,680	2,322,487	2,048,388	1,930,054	1,761,817	1,659,703
Other taxes	286,528	368,973	133,212	194,110	124,661	644,540	213,020	145,579	131,642	164,195
Franchise fees	22,059,424	21,085,800	19,634,200	21,635,342	24,031,070	25,088,152	24,553,341	24,665,352	25,341,454	24,332,547
Investment income	19,757,576	(23,117,209)	2,974,751	17,150,138	19,904,018	4,548,178	3,018,751	3,180,298	3,096,190	1,396,949
Transfers	9,412,500	13,292,034	11,643,687	12,075,463	12,167,586	12,559,897	13,573,300	12,121,270	10,491,502	11,898,312
Total governmental activities	391,025,649	338,952,407	342,697,971	346,489,734	349,450,907	322,190,417	298,207,581	282,610,593	268,109,616	254,101,420
Business-type activities:										
Hotel occupancy taxes	12,588,654	10,889,103	6,945,359	6,725,576	11,474,715	9,209,353	8,685,384	8,263,231	7,342,639	5,984,727
Franchise fees	9,242,409	8,628,798	8,478,963	8,464,909	9,035,082	8,631,271	8,753,718	8,499,964	7,957,587	7,570,258
Investment income	4,261,478	(4,727,933)	479,548	3,059,983	3,839,959	797,183	453,519	539,844	544,194	449,967
Transfers	(9,412,500)	(13,292,034)	(11,643,687)	(12,075,463)	(12,167,586)	(12,559,897)	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)
Total business-type activities	16,680,041	1,497,934	4,260,183	6,175,005	12,182,170	6,077,910	4,319,321	5,181,769	5,352,918	2,106,640
Total primary government	407,705,690	340,450,341	346,958,154	352,664,739	361,633,077	328,268,327	302,526,902	287,792,362	273,462,534	256,208,060
Change in net position										
Governmental activities	42,440,101	62,129,055	61,696,108	50,696,980	57,737,424	43,374,810	29,078,389	41,454,595	53,260,676	23,862,231
Business-type activities	31,703,248	13,065,240	(3,830,300)	(293,246)	9,602,620	14,291,080	(1,342,421)	5,331,195	14,664,983	(1,344,394)
Total primary government	\$ 74,143,349	\$ 75,194,295	\$ 57,865,808	\$ 50,403,734	\$ 67,340,044	\$ 57,665,890	\$ 27,735,968	\$ 46,785,790	\$ 67,925,659	\$ 22,517,837

Source: Annual Comprehensive Financial Report

CITY OF PLANO, TEXAS

Table 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(unaudited)

	Fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 482,193	\$ 503,367	\$ 648,008	\$ 747,041	\$ 443,626	\$ 452,138	\$ 426,935	\$ 455,431	\$ 506,576	\$ 793,454
Assigned	10,057,258	8,467,715	6,991,053	4,955,264	5,516,549	5,398,044	8,648,847	7,482,574	5,308,518	4,617,229
Unassigned	51,147,448	59,388,187	57,909,616	55,902,939	52,719,878	46,363,342	42,559,341	46,251,968	45,788,922	45,914,135
Total general fund	\$ 61,686,899	\$ 68,359,269	\$ 65,548,677	\$ 61,605,244	\$ 58,680,053	\$ 52,213,524	\$ 51,635,123	\$ 54,189,973	\$ 51,604,016	\$ 51,324,818
All Other Governmental Funds										
Nonspendable	\$ 388,940	\$ 2,177	\$ 48,005	\$ 4,618	\$ 2,907,075	\$ 2,914,126	\$ 203,063	\$ 350,071	\$ 200,110	\$ 64,510
Restricted	126,723,148	113,351,335	156,227,768	179,416,915	148,005,503	139,233,489	118,218,632	110,520,152	83,521,364	87,225,859
Committed	79,701,029	69,130,134	64,402,705	59,345,711	52,566,786	48,179,905	52,076,874	45,745,697	41,176,158	34,066,858
Assigned	180,646,988	170,148,818	109,121,698	74,982,713	96,815,937	85,460,149	82,418,884	79,391,186	96,276,903	86,964,225
Unassigned	(1,468,216)	(1,791,693)	(1,191,728)	(229,841)	(223,661)	(356,136)	-	-	(441,228)	-
Total all other governmental funds	\$ 385,991,889	\$ 350,840,771	\$ 328,608,448	\$ 313,520,116	\$ 300,071,640	\$ 275,431,533	\$ 252,917,453	\$ 236,007,106	\$ 220,733,307	\$ 208,321,452

Source: Annual Comprehensive Financial Report

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4

	Fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes:										
Property taxes	\$ 207,614,928	\$ 202,171,685	\$ 200,329,766	\$ 193,848,107	\$ 189,817,662	\$ 178,046,219	\$ 161,637,414	\$ 152,476,517	\$ 139,784,392	\$ 130,387,583
Other taxes	117,341,556	111,508,168	94,781,930	88,687,767	90,755,222	88,014,346	83,724,225	78,390,614	78,708,945	75,793,144
Franchise fees	21,594,398	20,570,938	19,088,694	20,948,685	23,330,387	24,354,134	23,778,918	23,795,403	24,452,648	23,469,220
Fines and forfeitures	4,504,821	4,450,993	4,443,221	4,929,202	9,942,676	13,469,216	13,865,452	13,228,933	17,004,610	12,381,098
Contributions	10,913,892	10,101,746	9,626,167	9,517,998	9,172,962	11,864,743	8,275,401	16,065,928	14,451,847	14,386,075
Rollback taxes	93,527	203,156	363,767	240,301	194,215	775,587	1,083,768	2,080,324	1,705,253	593,756
Licenses and permits	10,387,615	12,415,455	11,428,949	8,215,483	8,794,102	9,521,069	11,096,275	13,864,396	11,521,327	8,464,559
Intragovernmental	14,505,365	13,530,063	12,283,397	12,376,756	12,264,483	12,366,054	10,272,023	9,845,021	9,073,068	8,839,577
Intergovernmental	36,213,306	36,258,524	30,816,508	32,045,840	24,118,568	7,226,129	3,294,983	8,600,986	8,762,083	6,861,157
Charges for services	20,673,591	20,056,464	16,959,300	16,646,271	21,068,480	17,232,194	17,591,060	17,476,570	17,235,709	16,093,966
Assessments	27,979	-	-	-	-	-	-	-	4,555	-
Assessed taxes	76,043	143,929	143,929	138,263	86,540	79,560	97,091	96,327	-	-
Loan repayments	132,844	64,394	151,802	75,562	161,782	26,190	44,326	52,553	-	-
Investment income	17,290,791	(20,011,483)	2,502,551	14,463,906	16,523,779	3,812,784	2,610,264	2,708,822	2,566,239	539,548
Insurance receipts	-	-	-	-	-	-	2,524,669	-	-	-
Miscellaneous	2,936,128	2,384,663	4,222,493	2,098,185	3,139,882	2,757,734	2,941,582	2,088,223	2,688,796	2,409,120
Total revenues	464,306,784	413,848,695	407,142,474	404,232,326	409,370,740	369,545,959	342,837,451	340,770,617	327,959,472	300,218,803
Expenditures:										
Current:										
General government	35,598,255	32,625,979	28,827,074	30,798,961	28,330,854	29,285,243	27,946,543	28,719,550	28,745,531	23,153,000
Administrative services	13,339,342	13,510,685	13,530,398	12,181,897	12,293,671	11,242,058	11,009,172	10,137,693	9,671,352	9,075,852
Police	102,700,980	96,843,776	92,282,548	91,502,568	92,232,377	91,071,389	85,173,812	77,750,758	76,345,150	72,624,201
Fire	76,438,538	70,252,974	68,937,969	66,364,628	65,226,911	61,459,845	59,067,134	53,993,731	51,601,545	48,671,045
Libraries	14,887,977	13,179,054	11,956,910	12,454,004	12,651,794	11,346,986	10,933,170	10,910,966	9,894,090	9,807,337
Development	45,241,040	48,141,123	49,205,188	47,449,567	42,292,492	48,359,267	35,587,723	35,279,126	33,168,506	35,721,485
Public services and operations	10,091,134	9,005,968	8,119,893	8,272,140	8,116,706	7,937,937	7,659,746	7,323,817	6,603,174	7,293,539
Parks and recreation	31,911,843	29,717,794	27,449,113	26,077,933	26,737,356	25,293,952	24,471,388	23,043,731	21,730,109	20,362,792
Sustainability and environmental services	-	-	-	-	-	-	-	877	51,856	-
Public works	9,020,804	8,111,993	7,486,190	7,264,887	7,480,001	7,427,734	6,488,697	6,328,770	5,945,885	5,817,124
Technology solutions	1,000,000	1,000,000	1,000,000	2,379,149	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital outlay	137,358,923	105,299,376	107,477,666	127,135,076	108,889,776	102,403,953	90,609,900	79,143,347	79,259,135	44,164,938
Interest and fiscal charges	491,136	1,000,226	706,751	502,461	656,331	579,586	204,212	267,002	273,480	100,335
Debt service:										
Principal retirement	31,812,281	33,393,642	31,530,000	29,375,000	30,205,000	28,765,000	27,145,000	28,540,000	29,430,000	28,135,000
Interest and fiscal charges	21,613,956	19,106,870	19,139,601	17,442,679	18,023,790	14,650,303	14,652,723	12,982,753	12,398,406	13,015,703
Total expenditures	531,506,209	481,189,460	467,649,301	479,200,950	454,137,059	440,823,253	401,949,220	375,422,121	366,118,219	318,942,351
Deficiency of revenues under expenditures	(67,199,425)	(67,340,765)	(60,506,827)	(74,968,624)	(44,766,319)	(71,277,294)	(59,111,769)	(34,651,504)	(38,158,747)	(18,723,548)

(continued)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4
(continued)

	Fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other financing sources (uses):										
Issuance of debt	\$ 80,930,000	\$ 76,450,000	\$ 62,595,000	\$ 70,455,000	\$ 59,145,000	\$ 77,915,000	\$ 54,740,000	\$ 33,610,000	\$ 30,130,000	\$ 20,680,000
Issuance of debt-refunding	24,965,000	-	11,490,000	4,180,000	4,275,000	-	27,805,000	33,585,000	51,300,000	8,645,000
Escrow payment-refunding	(33,441,098)	-	(13,110,000)	(4,590,261)	(4,869,493)	-	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)
Premium on sale of bonds	11,377,834	3,728,395	7,392,136	7,085,255	6,127,422	4,443,627	10,517,669	12,243,821	10,503,390	952,750
Subscription based agreements	4,485,163	-	-	-	-	-	-	-	-	-
Capital receipt of land	-	-	-	-	-	-	-	650,000	-	-
Capital disposal of land	-	-	-	-	-	-	-	(650,000)	-	-
Proceeds from sale of land	-	-	-	1,890,396	-	-	-	830,000	456,000	-
Leases issued	668,688	-	-	-	-	-	-	-	-	-
Transfers in	50,347,222	60,018,132	51,442,913	48,962,041	43,039,104	40,819,060	38,680,903	36,271,298	38,735,713	33,629,949
Transfers out	(43,654,636)	(47,812,847)	(40,271,457)	(36,640,140)	(31,844,078)	(28,807,912)	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)
Total other financing sources	95,678,173	92,383,680	79,538,592	91,342,291	75,872,955	94,369,775	73,467,266	52,511,260	50,849,800	30,856,118
Net change in fund balances	\$ 28,478,748	\$ 25,042,915	\$ 19,031,765	\$ 16,373,667	\$ 31,106,636	\$ 23,092,481	\$ 14,355,497	\$ 17,859,756	\$ 12,691,053	\$ 12,132,570
 Debt service as a percentage of noncapital expenditures	 13.6%	 14.0%	 14.1%	 13.3%	 14.0%	 12.8%	 13.4%	 14.0%	 14.6%	 15.0%

Source: Statement of Revenues and Expenditures

CITY OF PLANO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Table 5

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2014	\$ 21,311,000,073	\$ 8,823,285,904	\$ 2,991,385,705	\$ 6,200,498,251	\$ 26,925,173,431	\$ 0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886
2017	28,337,673,807	11,154,737,907	3,336,271,261	8,476,155,936	34,352,527,039	0.4786
2018	30,462,326,984	14,153,497,676	3,572,079,971	9,121,844,876	39,066,059,755	0.4686
2019	33,597,627,029	15,316,491,841	3,592,061,370	9,784,093,465	42,722,086,775	0.4603
2020	35,162,765,539	16,227,114,514	4,025,352,218	10,340,342,237	45,074,890,034	0.4482
2021	36,212,423,085	16,628,075,561	4,144,052,447	10,419,695,940	46,564,855,153	0.4482
2022	37,813,711,417	16,695,210,222	3,968,989,421	10,785,602,439	47,692,308,621	0.4465
2023	42,281,944,484	17,727,718,231	4,450,641,756	12,478,810,262	51,981,494,209	0.4176

Source: City of Plano Budget Department and Collin and Denton Central Appraisal Districts based on original tax roll.

Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES (per \$100 of assessed valuation) -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Table 6

Fiscal Year (1)	City Direct Rates			Overlapping Rates						
	General Fund	Debt Service Fund	Total	Plano School District	Allen School District	Collin County	Frisco School District	Lewisville School District	Denton County	Collin College
2014	\$ 0.3296	\$ 0.1590	\$ 0.4886	\$ 1.4530	\$ 1.67	\$ 0.235	\$ 1.46	\$ 1.4770	\$ 0.2849	\$ 0.0836
2015	0.3438	0.1448	0.4886	1.4390	1.64	0.225	1.46	1.4770	0.2849	0.0820
2016	0.3576	0.1310	0.4886	1.4390	1.61	0.225	1.46	1.4767	0.2620	0.0820
2017	0.3556	0.1230	0.4786	1.4390	1.59	0.192	1.46	1.4200	0.2484	0.0812
2018	0.3500	0.1186	0.4686	1.4390	1.57	0.192	1.46	1.4075	0.2378	0.0798
2019	0.3493	0.1110	0.4603	1.4390	1.55	0.181	1.44	1.3375	0.2256	0.0812
2020	0.3372	0.1110	0.4482	1.3374	1.46	0.175	1.34	1.3375	0.2253	0.0812
2021	0.3372	0.1110	0.4482	1.3374	1.43	0.173	1.31	1.3473	0.2331	0.0812
2022	0.3330	0.1135	0.4465	1.3208	1.41	0.168	1.27	1.3085	0.2175	0.0812
2023	0.3026	0.1150	0.4176	1.2598	1.33	0.149	1.21	1.2368	0.2175	0.0812

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

Sources: Representatives of the various taxing jurisdictions.

**CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 7

Name of Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Toyota Motor North America Inc	\$ 480,996,292	1	0.95%	\$ -		
Legacy West Investors LP	435,534,207	2	0.86%			
JP Morgan Chase Bank NA	358,286,830	3	0.71%			
CCI-D 6501 Legacy Owners LLC	356,210,866	4	0.70%			
5765 Bozeman (Tx) Owner LP	313,981,951	5	0.62%			
Oncor Electric Delivery Company	263,880,000	6	0.52%	207,985,330	1	0.78%
Liberty Mutual Plano LLC	209,121,220	7	0.41%			
T-Mobile West LLC	209,060,482	8	0.41%			
UDR Legacy Village LLC	192,629,180	9	0.38%			
AR LC 1-3 LLC	189,130,323	10	0.37%			
J C Penney Inc				161,355,729	2	0.60%
Willow Bend Assoc LP				142,581,631	3	0.53%
Legacy Campus LP				126,045,001	4	0.47%
Bank of America NA				120,980,143	5	0.45%
HSP Of Texas Inc				114,469,428	6	0.43%
KBSIII Legacy Town Center LLC				113,067,926	7	0.42%
T5@Dallas LLC				112,001,268	8	0.42%
United Dominion Realty LP				109,117,517	9	0.41%
Ericsson Inc				101,984,811	10	0.38%
	<u>\$ 3,008,831,351</u>		<u>5.93%</u>	<u>\$ 1,309,588,784</u>		<u>4.89%</u>

Sources: Collin and Denton County Appraisal Districts

Note: Percentages calculated based on adjusted tax levy of \$50,611,744,509 for fiscal year 2023 and \$26,789,424,939 for fiscal year 2014.

CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Table 8

Fiscal Year	Tax Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collections Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2014	\$ 130,892,241	\$ 485,118	\$ 131,377,359	\$ 129,630,739	\$ 765,689	\$ 130,396,428	99.62%	\$ 902,931	\$ 131,299,358	99.94%
2015	139,575,321	237,273	139,812,594	137,978,707	866,051	138,844,758	99.48	877,879	139,722,636	99.94
2016	151,033,590	(42,296)	150,991,294	149,629,519	1,032,587	150,662,106	99.75	235,835	150,897,942	99.94
2017	161,973,421	(322,507)	161,650,914	160,220,041	1,467,896	161,687,937	99.82	(148,123)	161,539,814	99.93
2018	179,305,578	(472,051)	178,833,527	177,244,572	1,663,605	178,908,177	99.78	(206,766)	178,701,411	99.93
2019	191,830,572	(827,598)	191,002,974	189,455,568	1,960,247	191,415,815	99.78	(600,027)	190,815,788	99.90
2020	196,275,097	(438,545)	195,836,552	193,818,037	2,074,137	195,892,174	99.80	(358,876)	195,533,299	99.85
2021	202,492,736	(854,161)	201,638,574	199,425,009	2,548,640	201,973,649	99.74	(637,721)	201,335,929	99.85
2022	205,542,622	(724,542)	204,818,080	202,312,918	2,720,126	205,033,044	99.75	(539,519)	204,493,524	99.84
2023	211,354,645	-	211,354,645	207,417,433	3,197,550	210,614,984	99.65	N/A	210,614,984	99.65

Note: Negative levy adjustments and collection balances are the result of recalculated refunds due to disputed appraisal values.

CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Table 9

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds and Tax	Leases	SBITA	Water and Sewer Revenue	Municipal Drainage Revenue	Leases			
	Anticipation Notes			Bonds	Bonds				
2014	\$ 319,362,266	\$ -	\$ -	\$ -	\$ 18,016,010	\$ -	\$ 337,378,276	2.98 %	1,249
2015	322,852,271	-	-	-	16,367,610	-	339,219,881	2.93	1,240
2016	332,366,608	-	-	28,210,692	14,279,894	-	374,857,194	3.11	1,355
2017	363,534,046	-	-	27,276,451	18,940,154	-	409,750,651	3.27	1,468
2018	411,906,068	-	-	39,012,987	17,052,171	-	467,971,226	3.57	1,655
2019	441,336,296	-	-	37,004,927	22,020,333	-	500,361,556	3.67	1,754
2020	482,993,512	-	-	34,806,216	20,163,710	-	537,963,438	3.78	1,871
2021	513,078,273	-	-	45,148,138	59,642,819	-	617,869,230	4.15	2,145
2022	553,206,383	4,273,989	-	41,836,340	57,569,242	782,051	657,668,005	4.54	2,258
2023	599,784,007	5,474,035	5,901,635	38,358,983	55,461,091	715,519	705,695,270	4.67	2,409

Note: See Table 15 for personal income and population data.

CITY OF PLANO, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Table 10

Fiscal Year	General Obligation Bonds and Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 319,362,268	\$ 3,340,771	\$ 316,021,497	1.17 %	\$ 1,170
2015	322,852,271	3,701,797	319,150,474	1.11	1,166
2016	332,366,608	3,925,760	328,440,847	1.05	1,187
2017	363,534,046	4,440,930	359,093,116	1.05	1,287
2018	411,906,068	6,571,577	405,334,491	1.04	1,434
2019	441,336,296	5,548,057	435,788,239	1.02	1,527
2020	482,993,512	8,116,339	474,877,173	1.05	1,652
2021	513,078,273	7,352,771	505,725,502	1.09	1,755
2022	553,206,383	5,063,562	548,142,821	1.15	1,882
2023	599,784,007	4,921,498	594,862,509	1.14	2,031

Note: See Table 5 for property value data.

Note: See Table 15 for population data.

CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2023
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 611,159,677	100.00%	\$ 611,159,677
Total direct debt	611,159,677		611,159,677
Plano Independent School District	992,285,000	69.81%	692,714,159
Collin County	721,825,000	33.38%	240,945,185
Denton County	624,655,000	1.58%	9,869,549
Frisco Independent School District	2,577,095,271	12.99%	334,764,676
Allen Independent School District	932,030,892	0.65%	6,058,201
Lewisville Independent School District	1,502,031,827	4.08%	61,282,899
Collin College	522,250,726	33.38%	174,327,292
Total overlapping debt	5,295,078,445		1,519,961,961
Total direct and overlapping bonded debt	\$ 5,906,238,122		\$ 2,131,121,638
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.20%
Per capita overlapping bonded debt			\$ 7,275

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2023
(unaudited)**

Table 12

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states:

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2022 is \$0.4176 per \$100.00 with assessed valuation at 100% of market value.

CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,031,127	31,194,866	930,000	985,050	1,915,050	1629%
2017	143,783,223	118,878,037	24,905,186	855,000	980,400	1,835,400	1357%
2018	169,527,381	126,024,504	43,502,877	1,825,000	1,446,070	3,271,070	1330%
2019	165,449,556	130,333,204	35,116,352	1,855,000	1,411,200	3,266,200	1075%
2020	169,258,210	138,500,945	30,757,265	1,935,000	1,337,000	3,272,000	940%
2021	166,190,392	139,031,944	27,158,448	2,945,000	1,650,277	4,595,277	591%
2022	191,403,438	140,859,477	50,543,961	3,020,000	1,569,350	4,589,350	1101%
2023	211,428,678	153,227,038	58,201,640	3,165,000	1,427,450	4,592,450	1267%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension and other postemployment benefits expense. Beginning with the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirement			Coverage
				Principal	Interest	Total	
2014	\$ 7,475,077	\$ 2,852,291	\$ 4,622,786	\$ 1,106,563	\$ 295,615	\$ 1,402,178	3.30
2015	7,256,952	3,350,309	3,906,643	1,053,667	230,741	1,284,408	3.04
2016	7,392,218	3,445,947	3,946,271	982,857	211,124	1,193,981	3.31
2017	7,507,296	3,297,572	4,209,724	945,000	260,839	1,205,839	3.49
2018	7,724,220	3,691,664	4,032,556	895,278	240,647	1,135,925	3.55
2019	8,014,835	3,817,171	4,197,664	1,040,500	303,410	1,343,910	3.12
2020	8,106,541	3,927,825	4,178,716	1,002,105	281,088	1,283,193	3.26
2021	9,515,469	3,871,129	5,644,340	1,381,625	684,897	2,066,522	2.73
2022	8,100,035	4,482,115	3,617,920	1,366,538	658,063	2,024,601	1.79
2023	12,337,027	5,327,091	7,009,936	1,351,053	629,353	1,980,406	3.54

Note: Operating expense excludes depreciation and net pension and other postemployment benefits expense.

Note: Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.

**CITY OF PLANO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)**

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2014	270,100	\$ 11,317,730	\$ 41,902	54,822	4.6 %
2015	273,600	11,591,338	42,366	54,689	3.5
2016	276,700	12,058,309	43,579	54,573	3.7
2017	279,100	12,519,031	44,855	54,173	3.2
2018	282,700	13,115,584	46,394	53,952	3.2
2019	285,300	13,648,752	47,840	53,085	2.9
2020	287,500	14,218,313	49,455	50,116	6.3
2021	288,100	14,872,874	51,624	50,154	3.8
2022	291,200	14,499,430	49,792	49,405	3.0
2023	292,930	15,122,218	51,624	48,932	3.7

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau beginning in fiscal year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

**CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 16

2023			2014		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
JPMorgan Chase	9,500	8.34 %	Bank of America Home Loans	8,000	9.84 %
Capital One Finance	7,542	6.62	Capital One	4,500	5.54
Toyota Motor North America, Inc.	4,573	4.01	HP Enterprise Services	4,500	5.54
Bank of America	4,500	3.95	J. C. Penney Company, Inc.	3,000	3.69
AT&T Foundry	2,500	2.19	Ericsson	2,650	3.26
Ericsson	2,406	2.11	Alcatel-Lucent	2,500	3.08
Liberty Mutual Insurance Company	2,385	2.09	Frito-Lay	2,500	3.08
Medical City Plano	2,332	2.05	Dell Services	2,250	2.77
USAA	2,092	1.84	Texas Health Presbyterian Hospital Plano	1,680	2.07
Fannie Mae	2,000	1.76	Medical Center of Plano	1,600	1.97
Total	<u>39,830</u>	<u>34.96</u>	Total	<u>33,180</u>	<u>40.84</u>

Sources: Plano Economic Development

**CITY OF PLANO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)**

Table 17

	Fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	86.5	87.0	84.0	90.5	95.0	96.0	92.5	90.0	93.0	91.0
Administrative services	98.5	94.0	99.0	101.0	104.5	96.0	92.5	91.5	87.5	83.5
Police	690.5	687.5	688.0	691.0	711.5	692.5	669.5	628.0	611.0	625.5
Fire	412.5	402.0	401.0	406.0	399.0	400.0	397.0	362.5	365.0	359.0
Libraries	147.0	150.5	144.5	145.5	155.5	156.5	152.0	155.0	149.0	148.5
Development	199.0	186.0	188.5	180.5	185.0	184.5	184.5	180.0	167.0	155.5
Public services and operations	85.5	81.0	76.5	77.5	78.0	76.0	75.0	73.0	71.5	69.0
Parks and recreation	482.0	423.5	380.5	439.5	438.5	421.5	415.5	360.5	358.0	347.5
Public works	70.0	59.0	63.0	62.0	69.0	70.0	69.0	66.0	61.0	61.0
Technology solutions	80.0	69.5	61.0	62.0	64.0	59.0	54.0	58.0	55.0	57.0
Water and sewer	131.0	121.0	122.0	132.5	136.5	141.5	141.5	145.5	147.0	150.0
Sustainability and environmental services	93.0	95.5	93.5	95.5	100.0	97.0	100.0	94.5	95.5	97.5
Municipal drainage	29.0	29.0	26.0	25.0	24.0	22.0	26.0	28.0	28.0	25.0
Convention and tourism	42.0	42.0	39.5	40.0	43.5	40.0	41.0	39.5	40.0	42.0
Municipal golf course	8.0	8.0	8.0	8.0	6.0	7.0	8.0	8.0	8.0	9.5
Recreation revolving	116.0	101.0	91.5	127.5	127.0	128.5	143.5	149.5	126.5	138.5
Total	2,770.5	2,636.5	2,566.5	2,684.0	2,737.0	2,688.0	2,661.5	2,529.5	2,463.0	2,460.0

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 18

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Administrative Services										
Legal										
Ordinance/resolution review/preparation	128	128	179	147	147	129	141	226	194	226
Human Resources										
Full-time civilian employees	1,497	1,460	1,432	1,451	1,498	1,454	1,434	1,410	1,378	1,363
Accounting										
Payment requests processed	62,327	58,514	51,453	59,068	65,587	61,800	65,025	66,170	64,268	64,765
Police										
Employees (uniformed)	408	400	413	395	405	406	394	361	346	352
Citations	34,013	63,216	31,464	41,809	59,653	59,137	53,111	63,559	65,269	68,258
Public Safety Communications										
911 calls*	170,466	164,564	167,861	153,548	159,522	156,865	161,310	159,795	166,304	164,299
911 dispatches*	270,083	249,328	242,072	234,869	256,602	226,222	204,016	215,733	218,773	226,704
Fire										
Employees (uniformed)	391	381	381	385	379	380	377	343	347	341
Fire runs	16,974	15,906	32,570	25,723	27,496	27,890	26,570	25,005	24,618	22,615
EMS runs	45,900	43,626	20,035	17,288	18,148	17,667	15,760	15,689	15,462	14,521
Libraries										
Volumes in collection	701,814	728,356	729,551	745,562	740,968	691,466	795,654	770,701	786,982	803,074
Registered borrowers	212,543	198,264	186,277	190,504	195,986	188,470	188,787	181,131	200,369	203,478
Development										
Building Inspections										
Inspections (all construction)	66,378	56,207	47,950	48,155	55,252	64,632	71,069	65,230	59,384	56,014
New construction permits issued	1,113	1,168	692	551	817	755	765	825	1,070	810
Engineering										
New streets/alleys paved (miles)	3	1	4	1	4	5	7	6	3	5
New water lines installed (miles)	7	18	10	23	19	17	24	18	24	16
Public Services and Operations										
Environmental Health										
Inspections	5,330	4,938	7,019	6,652	6,355	6,242	7,417	6,482	5,929	6,087
Animal Control										
Animals impounded	6,331	6,089	7,401	8,075	6,386	6,383	6,891	6,947	7,687	8,302

(continued)

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

**Table 18
(continued)**

Function/Program	Fiscal Year									
	2022	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parks and Recreation										
Recreation attendance	2,474,933	2,058,132	1,274,219	1,000,229	2,496,307	2,332,667	2,295,266	2,561,438	2,420,165	2,356,309
Recreation center members	47,573	41,065	31,797	28,851	42,703	37,465	31,845	27,068	23,008	19,557
Public Works										
Streets										
Streets, alleys and sidewalks										
Excavate/Replace (Sq Ft)	11,215,787	3,331,913	5,328,213	4,690,871	2,632,027	2,562,992	2,461,590	2,109,483	1,661,006	1,607,939
Water and Sewer										
Water customers	82,999	82,849	82,425	82,206	81,772	81,346	80,827	80,621	80,371	79,139
Average daily water consumption (gal)	61,209,330	60,799,580	57,139,123	57,153,954	51,548,075	59,734,375	48,909,020	56,517,827	49,676,000	73,200,000
Maximum storage capacity (gal)+	85,500,000	126,000,000	126,000,000	126,000,000	126,000,000	85,500,000	85,500,000	85,500,000	85,500,000	88,000,000
Sustainability and Environmental Services (residential)										
Refuse collected (tons)	65,439	60,760	64,371	63,682	67,636	61,227	58,319	60,287	58,703	57,154
Bulky waste pickups (tons)	5,436	6,216	7,323	7,553	7,390	6,157	6,470	6,535	5,095	4,925
Recyclables collected (tons)	14,751	15,388	16,902	17,616	17,175	17,698	17,489	18,406	18,627	18,623
Yard trimmings collected (tons)	13,757	17,341	17,429	21,261	18,422	18,540	19,540	21,199	20,840	24,299
Municipal Drainage										
Environmental assessment requests	118	104	29	36	59	100	132	171	207	133
Storm sewer inlets maintained	20,212	20,150	20,037	19,963	19,804	19,537	19,400	19,264	19,129	18,995
Convention and Tourism										
Event days booked and serviced	235	256	148	168	300	300	150	246	275	247
Municipal Golf Course										
Rounds of golf played	58,296	59,170	57,719	44,702	46,834	48,155	52,746	48,982	45,223	50,447
Recreation Revolving										
Courses completed	6,832	6,411	4,006	2,993	6,464	6,999	6,512	6,971	7,137	6,966

Source: City Departments

Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.

+Beginning in Fiscal Year 2019, maximum water storage capacity includes gallons currently in the distribution system; data is not available for prior years.

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 19

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	165	163	162	161	159	154	147	130	127	124
Number of motorcycle units	0	0	1	2	5	5	5	5	5	6
Fire										
Number of stations and training centers	14	14	13	13	13	13	13	13	13	13
Number of fire engines/trucks	24	24	24	24	24	23	22	22	22	22
Number of EMS trucks	17	13	13	13	13	11	11	11	10	10
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,168	1,166	1,166	1,162	1,162	1,159	1,158	1,152	1,147	1,145
Alleys- paved (miles)	539	538	537	537	536	534	531	530	529	528
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks* (acres)	4,386	4,376	4,376	4,382	4,382	4,375	4,322	4,268	4,244	4,241
Athletic fields	139	139	151	151	157	163	161	171	179	179
Playgrounds	70	70	70	70	71	70	71	69	70	69
Recreation centers	4	4	5	5	5	5	5	5	4	4
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	9	9	9	9	9	9	8	7	8
Public Works										
Traffic signals	241	241	239	238	232	230	227	225	221	220

(continued)

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 19
(continued)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water and Sewer										
Water mains (miles)	** 1,461	1,455	1,449	1,441	1,426	1,407	1,391	1,373	1,362	1,344
Sanitary sewers (miles)	** 1,013	1,010	1,008	1,007	1,006	1,003	997	991	987	982
Fire hydrants	16,826	16,735	16,655	16,563	16,396	16,173	15,963	15,698	15,517	15,301
Sustainability and Environmental Services										
Collection trucks	55	54	54	54	50	51	51	50	50	50
Municipal Drainage										
Storm sewers (miles)	989	987	984	977	970	956	945	930	917	905
Convention and Tourism										
Civic centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments

Notes: *Includes Golf Course.

**Beginning in fiscal year 2023, implementation of new capital asset software resulted in increased accuracy of totals.

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.